

The NATIONAL UNDERWRITER

ANOTHER TRAFFIC DEATH AND TWO WRECKED CARS BECAUSE SOMEONE TOOK A CHANCE!

More than 98% of all automobile fatalities
need never have occurred. Less speed and
more care would have prevented this one.



FIRE-MARINE-CASUALTY-SURETY
Loyalty Group
INSURANCE

Firemen's Insurance Company of Newark, N. J.
Organized 1853

The Girard Fire & Marine Insurance Company
Organized 1853

National-Ben Franklin Fire Insurance Company
Organized 1886

The Concordia Fire Insurance Co. of Milwaukee
Organized 1879

Milwaukee Mechanics' Insurance Company
Organized 1852

Royal Plate Glass & General Ins. Co. of Canada
Organized 1906

The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1876

Commercial Casualty Insurance Company
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE • 10 PARK PLACE • NEWARK 1, NEW JERSEY

Western Department
120 So. LaSalle St.
Chicago 3, Illinois

Foreign Department
111 John St., New York 7, New York
206 Sansome St., San Francisco 4, Calif.

Canadian Departments
535 Homer St., Vancouver, B. C.
465 Bay St., Toronto, Ontario

Southwestern Dept.
912 Commerce St.
Dallas 2, Texas

Pacific Department
220 Bush St.
San Francisco 6, Calif.

THURSDAY, JANUARY 15, 1948



FIRST MATE FOR EVERY SKIPPER!

In the command of every pleasure boat—be it outboard, inboard, or cruiser; cat, sloop, or schooner—the *very* first mate should be a Marine Insurance Policy "signed aboard" before the craft ever hits the water.

1948 will be the greatest boating year in history! Thousands of trim, new craft will be launched. Hundreds of thousands of "old favorites" will be afloat, serving the pleasure needs of their owners. This is your opportunity for additional premiums through the sale of Marine Insurance.

Now is the time to cultivate old and new skippers—to talk with

them about protecting their boating investment, eliminating the possibility of heavy financial loss from personal injury or property damage claims due to the operation of their craft. You'll find them interested, for they know the risks and the need for sound protection!

A Marine Insurance Policy written through the Marine Office of America brings peace of mind to its owner. It represents sound coverage based upon nearly 30 years of specialized experience in this field.

Write us **TODAY** for application forms and plan to get a healthy share of these additional premiums.



MARINE OFFICE OF AMERICA

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Chicago 4, Illinois

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340 Pine Street
San Francisco 4, California

SOUTHERN DEPARTMENT
Canal Building
New Orleans 12, Louisiana

NORTHWESTERN DEPARTMENT
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Seattle 4, Washington

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Los Angeles, California
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Pittsburgh, Pennsylvania
St. Louis, Missouri
Stockton, California
Syracuse, New York

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

W. U. A. Outlines Public Relations Activity for 1948

Much New Material Dis- tributed and Developments for Future Maturing

Western Underwriters Assn. has now made known to the field clubs and associated interests the public relations program that has been mapped out for 1948. The finishing touches on these communications were done by Wallace Rodgers, public relations representative of W.U.A., in Evanston hospital where he underwent major surgery this week.

There is now being distributed a new color booklet "An Integrated Program of Education and Public Relations—a Public Relations Guide for Fieldmen."

Then a letter and pamphlet has gone forward describing a new introductory educational course for beginners. Within the next few weeks information will be distributed regarding a new 12-hour study course in public relations.

Very shortly there will go forward a brochure pertaining to the new series of National Board advertisements in national magazines with local agency tie-ups and other related material.

Future Plans

In the offing for future development and consideration are such things as a new speakers manual, a suggested plan for university insurance conferences, a public relations bulletin and plans for systematic cultivation of state and local trade associations.

A manual on effective speech is now in the hands of the printer, and this will be distributed along with speech outlines, all in the interest of developing more public speakers among field men and local agents on other than fire prevention subjects.

Probably in the fall there will be released the institutional talking picture for use of field men before non-insurance groups. The public relations bulletin will disseminate and exchange public relations information, provide data premiums and taxes by states, "correct some of the misinformation about tax equality as between capital stock and non-stock fire insurance organizations."

Ultimately, a plan will be disseminated for cultivation of trade associations.

The public relations committee suggests that until the material for external work is in more finished shape emphasis continue to be placed on the internal aspects of the problem such as internal education, self-improvement and perfection of organization machinery.

W.U.A. suggests that in each state there be held a meeting of the central committee soon to review the work done in 1947 and make plans for this year. Regional committees should now be strengthened and reorganized, and each regional group should contain at least one or more experienced public speakers. Each regional chairman should have a meeting in January.

There are now more than 5,000 names on the opinion list and W.U.A. suggests that more attention be given to teachers and leaders of women's groups.

On Dec. 29, 1947, the mailing list to receive "Fire Insurance Facts and Trends" in W.U.A. territory numbered 81,150.

C. E. Parks Heads Farm Underwriters

Bannerman and Ogilvie Complete Official Family Elected at Chicago

Farm Underwriters Assn. at its annual meeting last week at Chicago

elects Chester E. Parks, superintendent of the farm department of National Fire, as the new president to succeed G. C. Cundiff, farm department manager of Home, who has served two terms. Mr. Parks previously was president of the association in 1936.

H. G. Bannerman, farm department superintendent of Hartford, is vice-president, and Kenneth S. Ogilvie, assistant manager of W.U.A., takes over as secretary from E. H. Born, manager of W.U.A.

Retiring President Cundiff in his report, stressed the value of close harmony



G. C. Cundiff



CHESTER E. PARKS

between the farmers and insurance men, and said that much has been accomplished by the scholarship program with the 4-H Clubs. The association will continue the scholarship program in 1948.

This year will see a critical turning point in the history of the insurance business, Mr. Cundiff predicted, and he said the seriousness of what lies ahead should not be underestimated. The future should be met carefully.

Farm insurance is vital to agriculture, he remarked. A big objective should be a public relations program which will interest the farmer in the work carried on by insurance in his behalf. He suggested that farmers be informed of insurance by every possible means—magazines, pamphlets, radio programs, and meetings.

At the same time the industry must learn more about farming methods. Mr. Cundiff recommended that the association in 1948 arrange for lectures by persons who will take up each class of farming and report on its operations. By this method forms can be scientifically improved and brought into line with actual farming needs.

An enlargement of classification is not advisable presently, he said, because of

N.A.I.A. Film "Your Best Policy" Is Now Released

NEW YORK — "Your Best Policy," a 16-mm. sound motion picture produced by Caston Productions, Hollywood, under supervision of the public relations division of National Assn. of Insurance Agents, has now been released by N.A.I.A. for local showings before its 24,085 member agencies. Prints were distributed to all U. S. state associations and N.A.I.A. groups in Hawaii and Puerto Rico. Demand for the film has been great and premiere showings were held at York, Pa., Monday; Milwaukee, Wheeling, and Fort Worth, Tuesday; Louisville, Wednesday and Lansing, Thursday.

This is designed primarily as an internal public relations vehicle to portray the many present-day services of N.A.I.A. to its membership. The film also traces the history of the association and some of the conditions that pointed the need for its origination and vigorous program. It is 20 minutes in length and was developed as a result of studies conducted by the public relations advisory committee and the membership committee which pointed out that nearly 4,000 new members were newcomers to N.A.I.A. ranks since the close of the last war.

There was a "sneak" preview at Hollywood Jan. 7, that was witnessed by William P. Welsh, Pasadena, N.A.I.A. president, and Harold W. McGee, Los Angeles, chairman of the public relations advisory committee.

W. H. Diack to Succeed Humphrey in Southwest for National Underwriter Co.

William H. Diack has been appointed southwestern manager of THE NATIONAL UNDERWRITER Co., succeeding Frederick B. Humphrey, who died Dec. 29. Mr. Diack will continue to make his headquarters at 802 Wilson building, Dallas.

Mr. Diack's entire business experience has been with THE NATIONAL UNDERWRITER Co. He attended University of Cincinnati; spent four years in the army air corps as a radar navigator instructor, starting as a private and becoming a 1st lieutenant and has been with THE NATIONAL UNDERWRITER Co., both in its home office at Cincinnati and in the field, for the past year and a half. For some weeks prior to Mr. Humphrey's death he had been assisting him with his work in the southwestern states.

Mr. Diack's territory will consist of Arizona, New Mexico, Oklahoma, Texas, Louisiana and Mississippi.

the labor situation. He recommended the committee on classification complete its work so a broader classification record may be inaugurated the first of next year.

At the afternoon session committee reports were given by Joe E. Cryan, assistant secretary in the farm and hail department of America Fire, on fire prevention, and Rush Carter, assistant manager of Aetna Fire, on public relations.

The members concluded their activities with a dinner.

Charles C. Conklin Is New President of Northern of N. Y.

Perry, Investment Man, Is Chairman; New Officers Up from Ranks

NEW YORK — Charles C. Conklin has been elected president of Northern of New York and Assurance Co. of America to succeed the late George Z. Day. Hoyt O. Perry becomes chairman and H. Richard Scherme and Fred J. Theen vice-presidents.

Messrs. Perry and Conklin both have been vice-presidents, while Messrs. Scherme and Theen formerly were secretaries.

It is interesting to note that the new officers of the company all have come up from the ranks. Mr. Conklin has just completed 21 years with Northern. He was with Assurance Co. of America when Northern purchased it in 1926, in the metropolitan and suburban department in New York City. He then went into the New Jersey field for Northern and operated successfully there until 1939 when he went to the home office to a post in the eastern department.

Became Vice-president in 1943

Almost immediately he was placed in charge of that department. In 1943 he was elected vice-president, and in addition to his executive duties on business countrywide he continued to handle the eastern department. His brother, John C. Conklin, heads a large agency in Hackensack, N. J., and is past president of the New Jersey Assn. of Insurance Agents. Their father, Charles S. Conklin, was with Assurance Co. of America from 1897 until its consolidation with Northern in 1926, then served five years as vice-president of Northern and later as U. S. manager of Pearl.

Mr. Perry is the financial man of the company. He has been vice-president for three years and joined the company about four years ago after a successful career in the investment and general business fields, to take charge of its investment portfolios.

Mr. Scherme has had charge of the western department. He has been with Northern three years, and prior to that was with Standard of New York and Aetna Fire. He will continue to head the western department.

Mr. Theen is head of the automobile department and will continue in that capacity. He has been with the company four years. He was with Standard and then in the brokerage department at New York for Aetna.

Cooper Akron President

William T. Cooper has been elected president of the Insurance Board of Summit County, Akron, O., succeeding E. R. Hunsicker. Homer E. Crain is vice-president; C. E. Saum, renamed secretary-treasurer.



Charles C. Conklin



W. H. Diack

Suggests Applying Casualty Term Plan to Fire

Lester Sandelman, local agent of Detroit, writes:

The serious problem of underwriting capacity has again been brought into sharp focus in your Dec. 11 issue in an excellent article reporting E. F. Gallagher's speech to the Virginia Assn. of Insurance Agents.

It seems there has been little favorable response to the suggestion that term writing of fire business be abolished in order to create additional writing capacity. The reasons for non-acceptance are as sound as they are obvious.

However, may not there be an alternative course?

I suggest that the rules and filings be changed to permit term fire business to be written at regular term multiples, plus a percentage increase for divided premiums, in much the same manner as the 50/30/20 and 40/30/30 divided premium plans are used in writing casualty and PPF covers.

Probably such a plan ought not apply to a normal term premium of less than

\$50, or perhaps even \$100. For term business on a four or five year basis, the plan could be set up much the same as that of the mutuals, in which, on a five year policy, the annual premium is one-third of the regular three year premium. Example: Annual premium—\$100, three year premium—\$250; annual premium under five year policy—\$83.33.

I would think that companies, agents, and insured would all benefit: (1) Drain on companies' surpluses would stop because reserves would be based upon yearly premium only; (2) the percentage charge would more than cover the added administrative cost (most of which would fall on the writing agent, anyway); (3) vast amounts of additional term business could be written, thus reducing producers' costs, too, and making term covers more useful in general.

I would suppose that a setup of this kind would require a policy provision that in case of loss, the then unpaid balance of premium would become payable in full. In the event of cancellation, the divided premium charge would not be considered in computing return premium.

It is difficult to see why a plan of this kind would not work effectively for fire companies when it does a good job for the casualty carriers and in PPF writings.

Changed conditions require changed

methods; in my opinion, an overhaul of fire company operations is long overdue. Antiquated and ridiculous accounting procedures, plus unrealistic regulatory requirements and restrictions, are a major cause of what appears to be only a paper lack of capacity.

Walker Heads New Aviation Department for All Risks

All Risks has supplied a new Lloyds of London aviation market by opening an aviation department at Chicago with John F. Walker in charge. Mr. Walker has for six years managed the aviation department of Newhouse & Sayre at New York. Prior to that he was with Home at New York and Washington for 13 years. He is a graduate of Trinity College.

Rowse Named Wichita Aid

W. W. Rouse has been named assistant manager at Wichita for Western Adjustment. He has been a staff adjuster there since 1944, previously having been with the Duluth office for 2 years and at St. Louis eight years. He is a graduate of the insurance course at Northwestern University and was with the inland marine department of Aetna Fire at Chicago before joining Western Adjustment 15 years ago.

Pacific Nat'l Forms Southern Unit Under Wallace, Leonard

Southern department offices will be opened at 70 Fairlie street, Atlanta, by Pacific National Fire Feb. 2 in line with its expansion program.

Vice-president W. L. Wallace has been given the assignment of opening the new department. Associated with him in the management of the department will be George B. Leonard, who has been appointed vice-president. Mr. Leonard has terminated his general agency activities. He has had 30 years insurance experience, including a number of years with National Union.

John P. Holmes, who has been superintendent of agents for the southern



W. L. Wallace



GEORGE B. LEONARD

states, has been advanced to assistant manager of the department.

The field staff is to be augmented by the addition of Executive State Agent John P. Irvin, Jr., formerly vice-president of the Leonard general agency, and H. Russell Deal, who has traveled extensively in Georgia and Alabama.

The department will supervise all southern states with the exception of Texas, which will continue under the supervision of the western department.

The offices will be opened Feb. 6 with invitations to many insurance and other leaders to attend. President John L. Mylod will be on hand from the head office together with W. B. Winchell, head of the eastern department at Philadelphia; William Greenway, assistant vice-president at Philadelphia, and Walter Vernier, manager of the western department at Chicago.

New Explosion Manual Now Available to Agents

The new explosion manual has now been sent to the inspection and rating bureaus in the individual states and such manuals with the individual state reprint may now be obtained by agents upon request from their own rating bureaus. Inasmuch as many agents do not use the explosion manual it was decided not to send it to everyone on the list but simply to have the copies available at the rating bureaus for agents that requested them.




100 Years in the United States

**Looking back...
and AHEAD!**

One hundred years ago The Liverpool & London & Globe Insurance Company Ltd. appointed its first agent, Alfred Pell in New York to introduce "L. & L. & G." insurance to the home owners and industry of the United States. We're proud of this, and we're very proud of the record of service, security and performance established over the past one hundred years. We are not looking or lingering too much over the past, but rather going ahead, planning for greater achievement in the years to come.

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Nevada
1864


THE MACKAY SCHOOL

JOHN WILLIAM MACKAY
1831 - 1902

Snow, for which Nevada was named by early Spanish explorers, was not the only whiteness found there. Great stretches of blindingly white alkaline dust made it a perilous region for travelers. Since the first settlement in Carson City 100 years ago, the Sagebrush State's "desert wastes" have thrilled mankind with their hidden wealth. The Comstock era produced fabulous fortunes overnight and a billion dollars worth of gold and silver to help save the nation's credit during the Civil War. Mining is still the word for Nevada but now means copper, mercury, tungsten and magnesium. The Mackay School of Mines and the U.S. Mines Experiment Station are important parts of the University of Nevada. Vast herds of cattle and sheep now graze together, with plenty of alfalfa being raised for them, while nearby "the deer and the antelope play." Reno, "The Biggest Little City In The World", and Las Vegas, once a Mormon outpost, offer luxurious resort accommodations. The desert Joshua trees point long arms skyward; the quick progress of this sparsely settled state points towards rich insurance strikes.



CRUM & FORSTER
MANAGER



110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	RICHMOND INSURANCE CO. of New York	Organized 1836
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO	Organized 1837	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.

LOCAL AGENT ANSWERS ARGUMENT

Shouldn't Link Commission Cut to Inflated Values

From a Minnesota local agent:
On page 4, of your issue of Jan. 1, appears an article headed "Company Official Answers Charge of Selfishness." To quote from the article, it states in part, "The following communication was sent to THE NATIONAL UNDERWRITER by a prominent company official, who says he does not wish his name to be mentioned."

Now that you have started to print anonymous correspondence in your columns, from the company end of the business, perhaps you will be so fair as to print an anonymous letter from an agent; for while it is in reverse, I must do business with the company, just as the prominent official has to do business with the lowly agent and I, too, prefer not to be named.

I personally did not see the article charging "selfishness" referred to, but as the correspondent goes on to say, it might be well to look at the companies' position—let us do so. Your correspondent illustrates his point by show-

ing the earnings of 30 companies who showed an underwriting profit of 7.7 cents per \$1 of premiums from 1933 through 1937. Then he states that for the four years from 1943 through 1946, these same 30 companies realized underwriting profits of only .7 cents per \$1 of premium. From this point he drops the subject of underwriting profits—why? If our system of rating is right in the first place, then poor underwriting results are due to only a few things, poor agents, hard luck, poor underwriting or poor company management. Of course, if our method of rating is wrong, then the correction of any or all of the above causes of loss of underwriting profits would have no bearing.

We then note that the value of the stock of these 30 companies is about 25% off of the value of the 1935 high. Yes, I happen to own a small amount of insurance company stock (perhaps among the selected 30) and if my memory serves me correctly, at least one of them is off about 65% from the 1930

price—so what? As the stock market goes, so goes the insurance stocks.

Now we come to the item of expenses and here's the "diller." We find that the companies have reduced their expenses (outside of agents' commissions and income taxes) from 18.3 to 12.3 per dollar of premium income and have passed it all on to the public along with 90% of the 1935 underwriting profit. The only reason for the decrease in expenses is the increased premium volume, due to increased or inflated values. The

company decreased expense ratio is comparable to the agents; it is due entirely to increased volume with increased expenses at not quite so high a ratio.

When we go back to normal or at least somewhere near normal—so back to normal or somewhere normal will go the expense ratio. It is an unhealthy condition, for the bubble will burst.

A few years ago in our territory, without any grumbling from the public

(CONTINUED ON PAGE 28)

Carleton Fisher "Sticks Oar in Further" on Commissions

From Carleton I. Fisher, prominent local agent of Providence:

Under the heading "Company Official Answers Charge of 'Selfishness'" in your issue of Jan. 1 an anonymous company executive referred to and quoted some comments of mine in substantiation of his position that commission reductions are in order. Since I have been injected into the controversy may I stick my oar in further?

Our company friend's argument is

that since agency income has been on the increase in dollars because of inflationary values and increased business due to higher rates, and he is perfectly correct in quoting me as saying that has been my own experience, such a situation justifies reductions in the percentage of commission.

He further points out that increase in the average size of policy premiums, the underwriting losses or great reduction in profits of insurers and it seems to follow that the companies are thereby justified in cutting the commissions of their agents.

Dangerous Position

I am sorry he saw fit to use my name in an attempt to substantiate this theory because to my mind nothing could be further from the actual equity and justice of the matter. Is he not getting himself into a very dangerous position because it is a poor rule that does not work both ways so that if commission reductions are justified because of (1) inflation (2) a seller's market and (3) underwriting losses, does it not logically follow that the reverse is true, namely that in times of deflation; in times when selling is difficult and buyers' resistance is great; and in times when underwriting profits are high the agent must in all logic be entitled to increased commission rates?

It is not a fact that commission rates should have nothing to do with any of these three conditions? Should not remuneration of agents be based solely on what is a fair amount for the services they perform, sufficient to cover their costs of operation and leave a little profit? What if the companies have suffered underwriting losses, does that mean the agents' overhead expenses are any lower?

Need Concrete Facts

What if the average size of policy premiums has increased? Have the companies any figures to show that even so the agents are making excessive profits? Or that the proposed reductions would not mean the difference between profit and loss? Your correspondent believes the experience I related reflects the situation of the average agency. Perhaps it does. Perhaps it does not. The companies have not waited to find out. Are important actions of this kind to be justified by mere beliefs or by concrete facts?

Whatever the actual experience may be the primary objection to the actions of the fire insurance companies by agents wherever they may be located, and whether or not they have been personally affected thereby, is the manner in which the companies have acted in an arbitrary ex-parte manner. In the old days commission rates were written right into agency contracts specifically. In effect they still are because our contracts read that commissions shall be as mutually agreed upon.

It is a fine state of affairs when companies, individually or collectively, blandly notify one party to the contract that as of a given date they are going to ignore this "mutually agreed upon" provision. We agents in E.U.A. territory

(CONTINUED ON PAGE 28)

How A COMPANY HELPS ITS AGENTS — THROUGH AGE AND STABILITY



A company which has operated over a long period of time has a right to be proud of its age and resultant stability. Its agents can well be proud to represent a company with a long and distinguished record. Along with many other companies organized when this country was young, Ohio Farmers is about to celebrate its 100th anniversary. On the eighth of next February we will be 100 years old. These years have been pleasant years because our associations with agents and friends have been pleasant. We hope—and in fact we are going to try to see—that the next 100 years are the same way.



Ohio Farmers Companies
OHIO FARMERS INSURANCE COMPANY
CHARTERED 1848
OHIO FARMERS INDEMNITY CO.

Le Roy, Ohio



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

ratio is due en- with in- so high al or at- so back- will go unhealthy burst. territory, e public (s) been on of infla- business perfectly that has a situa- percent- rease in emiums, eat re- and in- nies are e com- y name theory ould be and jus- getting position es not mission of (1) and (3) logic- s true, ion; in d buy- times gh the d to in- n rates any of not re- rely on ervices r their a little s have es that ses are policy ve the at even e prof- actions between ondent reflects agency. es not to find is kind y con- e may actions es by ocated, been man- acted In the written ically, r con- all be com- tively, ntrac- going upon" terri-

American Goods in Foreign Lands Require Full Insurance Protection—And That's **YOUR *opportunity* THROUGH A.F.I.A.**

AMERICAN BUSINESS interests girdle the globe today—and so do the facilities of the American Foreign Insurance Association.

American goods, factories, establishments and supplies that lie beyond our shores need sound insurance protection against losses from fire and casualties of every kind.

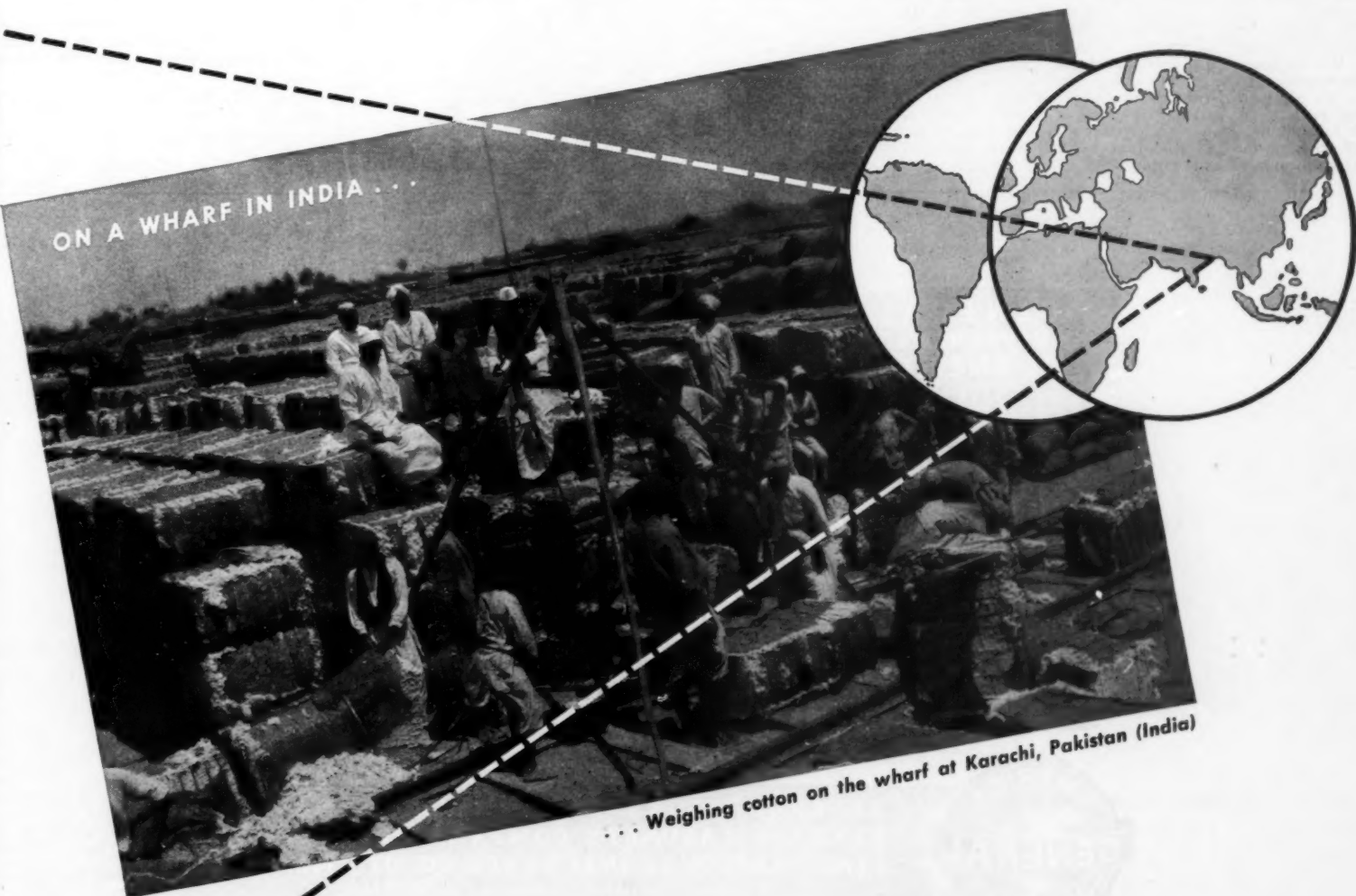
For three decades the American Foreign Insurance Association has been providing that protection in every country in the world beyond the shores of North America, Central America, and the West Indies.

Today this largest group of its kind—composed of 25 of the nation's oldest and strongest insurance companies—offers your clients the skilled services of an experienced

staff; a complete knowledge of foreign insurance laws, regulations and currencies; service facilities of over 200 branch offices and agencies located in a strategic pattern all around the globe; *unexcelled* facilities for on-the-spot claim settlement and payment!

American business *needs* this kind of insurance protection for its foreign interests—it *wants* the kind of service American Foreign Insurance Association is prepared to render. You, as an agent, can handle this profitable business for the concerns in your community who have property or goods in foreign lands.

Contact the business firms in your community—find out their needs—then write us for specific information!



AMERICAN FOREIGN INSURANCE ASSOCIATION

80 MAIDEN LANE • NEW YORK 7, NEW YORK

COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS

1947 Peak Peacetime Year for Ocean Marine

By KENNETH FORCE

NEW YORK — Ocean marine premiums in 1947, it is estimated, will reach \$150 million, which is 30 to 40% higher than in 1946. This makes 1947 easily the biggest peacetime year for the American marine market. The percentage increase will, it is believed, exceed that in the fire lines for the year.

The business has been available and the companies have not resisted the line as they have fire premiums, because ocean marine business does not present a reserve problem. The premiums on cargo are earned in a matter of days or weeks, and hull insurance is generally written for not more than one year. In addition, the fact that marine rates are not subject to review by state rating authorities means that they are more immediately responsive to losses and conditions, which makes the business more attractive to the companies.

Springs from Exports

The big source of the premium increase last year was from U. S. exports, which amounted to approximately \$14 billion in goods and machinery. This is four or five times as much as is ordinarily shipped from the country. Imports in 1947 totaled between \$8 and \$9 billion. More than double the pre-war average.

The increased use of oil, countrywide, boosted the premiums written on tankers. This is always a big source of premium income in the ocean marine category since much of the oil moves from Texas ports to the east in this way.

A second important factor, which in itself accounts for a large portion of the increase in premiums, is the inflated cost

of goods that have moved by ship. A considerable amount of business came out from under government control during 1947 into the commercial market where insurance companies could get at it. There has been a surprisingly big increase in hulls, both in the number of ships placed in service and new hulls laid.

Surprisingly enough, war risk premiums were substantial in 1947. The amount of liability in 1947 exceeded that written in 1946, but of course, the rates had been repeatedly decreased until last year they were nominal. Since the war, 225 hulls have been sunk by contact with mines laid during the war, and while the danger does not warrant a big outlay, at the prevailing prices the insurance is taken by most shippers. Rates in the marine field generally were decreased during the year.

South American Trade

Shipments to South America were exceptionally high in 1947 because Latin American countries accumulated dollar resources during the war when the U. S. was buying huge quantities of goods in those countries. In 1947 the South American countries spent a lot of those dollars for American goods. Trade with such countries as Japan revived during the year and made a substantial contribution to the premium volume. A number of cargoes of silk were imported from Japan, running \$5 to \$6 million a cargo and these were insured in the American market. Toward the latter part of the year other textiles began to come in from Japan and offered the American marine market an additional source of business.

Experience on ocean marine has not

been as good as was hoped for earlier in the year. This tended to make companies more selective in their underwriting as the year went along. The biggest single source of loss was theft and pilferage both in the U. S. and abroad. New York City continues to be one of the worst spots in the world. In spite of losses, the business should show a small profit.

Texas City Was Blow

The business was relatively free of major casualties in the year except for Texas City, where it lost two ships and a vast amount of property on the docks. Also, the question of liability in connection with the explosions there has not yet been entirely resolved.

Premiums are not expected to be quite so high in 1948 because many countries have adopted restrictions on purchases in the U. S. due to dollar shortage.

The marine people are concerned about whether goods that will be shipped under the Marshall plan will be insured, or insured in the American market. They express some concern also over the decrease in size of the American merchant marine fleet, which, in view of the growth of merchant marine in other countries, will result in less coverage placed in the U. S. market.

In connection with theft and pilferage losses, a move is on foot to adopt a code of standards on packaging of goods for export similar to the interstate commerce commission code on domestic shipments.

John H. Gall, formerly with the Earls-Blain Co., Cincinnati, has established his own agency in Carew Tower representing Pennsylvania Fire and Ohio Casualty. He entered the business following attendance at University of Cincinnati in 1940 and spent four years in military service.

L. W. Blaylock of Dallas and J. Y. Ballard of Ft. Worth have been elected directors of Gulf and Atlantic.

Seek to Untie Wis. Non-Resident Licensing Knot

Representatives of the Wisconsin and Illinois departments were scheduled to meet at Chicago this week in an effort to straighten out problems that have arisen in connection with the licensing of Illinois agents under the non-resident agents law that was enacted in Wisconsin at the last session of the legislature.

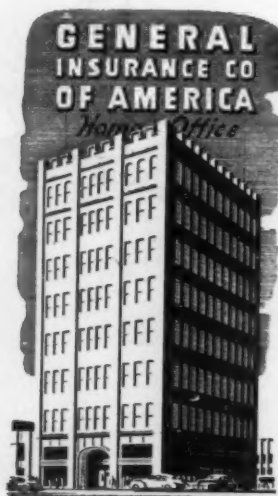
Under the old law there was no provision for licensing non-residents in Wisconsin, and a Wisconsin agent was forbidden to divide his commissions on Wisconsin fire business, unless the insured property was owned by a non-resident of Wisconsin.

Under the new law there is provision for the flat licensing of non-resident agents. At the last minute a provision was tacked onto this law providing that a person representing the assured could not be licensed as a non-resident agent in Wisconsin.

Then the Wisconsin attorney general gave an opinion that if a non-resident is licensed both as an agent and as a broker, he does not qualify for the Wisconsin license, on the theory that as a broker he is one that is representing the assured. This was a blow to Chicago agents particularly, practically all of whom are also licensed as brokers in Illinois.

The companies are in a quandary because they don't know who to pay commissions to on much current Wisconsin business.

Until this law was passed, a good many out-of-state agents formed Wisconsin corporations of nominal substance so that they could legitimately receive commissions on Wisconsin business.



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'47 Airline Losses Exceed Premiums by \$5 to \$9 Million

Domestic insurance companies' loss payments to airlines exceeded gross premium income by somewhere between \$5 and \$9 million during 1947, according to William E. Blain, executive underwriter Aero Insurance Underwriters, in an article in "American Aviation." In the first 11 months of 1947 there were 12 fatal airline accidents resulting in 240 passenger and 41 crew member deaths.

Aircraft destroyed in these accidents were valued at about \$4,600,000 while flight losses where no deaths occurred, such as belly landings and overshoot landings, added another \$5 million in losses. Ground losses, such as fire, windstorm and taxiing collisions added \$1,250,000 to company costs. Physical damage to airliners during the entire year totaled between \$10 and \$11 million, whereas the premium income for the year did not exceed \$5 million.

Legal liability payments for passenger fatalities were about \$3 million. Payments for serious passenger injury, death, and injury to members of the public, and property damage caused by airliners was estimated at \$800,000. Losses for third party liability on this basis amounted to approximately \$3,800,000 compared to premiums received of not over \$2 million.

About \$500,000 more than premium income was paid out for workmen's compensation claims, while airline personal accident losses exceeded premiums by almost \$1 million.

From 1940 to 1946 American companies received \$24,450,000 in premiums for scheduled airline hull and liability coverage and paid losses of \$15,340,000.

Lawton, Harrington, Way in Aetna Fire Marine Changes in East

John B. Lawton and Peter B. Harrington have been appointed special agents in the Atlantic marine department of Aetna Fire.

Mr. Lawton joined Aetna Fire in 1946, after five years of inland marine underwriting experience.

Mr. Harrington is a graduate of the University of Pennsylvania. He has been with Aetna Fire since 1943 as junior underwriter and later inland marine underwriter.

They will make their headquarters at 425 Walnut St., Philadelphia.

Pennington H. Way, Jr., who has been marine special agent at Philadelphia, has been assigned to the Maryland, Delaware, Virginia, and West Virginia fields. Mr. Way is a graduate of University of Pennsylvania and has been with Aetna Fire since 1946.

Bowersock Gives Views

BOSTON — President Donald C. Bowersock of Boston and Old Colony told the Bay State Club that it is his belief that the new insurance laws of Massachusetts are less controlling than contemplated in the all-industry bill and that with a competent commissioner and cooperative effort on the part of the insurance interests a philosophy has been set up which would give greater freedom of action.

Travels for Northwestern Mutual

Joel Cloud, general manager of the White general agency at Greenville, S. C., has been appointed special agent in the southeastern department of the Northwestern Mutual Fire at Atlanta. Graduating from the University of Georgia in 1930, Mr. Cloud was 13 years with Retail Credit.

Reins Club of New York will meet Jan. 27 to elect officers and vote on changes in the constitution regarding membership.

The gross profit of over \$9 million resulted in an attractive net profit margin but almost all of the profit was wiped out by the disastrous experience last year. After deduction of unearned premiums, acquisition costs, administrative costs, adjustment expense, and the cost of catastrophe reinsurance, it is estimated that companies made a net profit of approximately \$2½ million over the seven year period.

One of the reasons advanced for the number of accidents last year was the increased use of larger four-engined planes such as the Constellation, the DC-4 and the DC-6. The "bugs" in

these type planes have not been ironed out as they have in the standard DC-3, a two-engine plane which for years has been the work horse of American airlines. The four-engine planes are worth from four to 10 times as much as a DC-3.

Rate Increase Needed?

The article points out that the total valuation of all U. S. airliners does not exceed \$300 million, and that the value averaged about \$250 million during the year. As hull losses amounted to between \$10 and \$12 million it would have taken an over-all average rate of 6%

for hull insurance for the companies to break even. Hull rates actually average slightly under 5%.

Favorable factors, such as safety improvements in the larger aircraft, and better airline management and organization is expected to improve the experience in the future. The article concludes that there must be an immediate and continuing improvement or hull rates will be increased; 1947 hull experience indicates that a general increase of 1 to 1½% in average rates is necessary. This would mean an additional premium expenditure of \$3 million to \$4½ million, which the airlines cannot afford.

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Forbes to Hold Hearing on E. C. Rate Disapproval

LANSING, MICH.—A hearing on Commissioner Forbes' disapproval of the extended coverage rate schedule proposed for filing by the fire companies has been set for Jan. 28 following a formal request from Michigan Inspection Bureau that the department hear the companies' spokesman on the issue.

The commissioner rejected the proposed filing on the ground that experience indicated the rate was excessive. The companies had sought to continue

the existing rate schedule. Commissioner Forbes said the loss ratio was only 17% on a written basis on approximately \$6 million premium volume over a seven-year period.

Under a 1947 code amendment, the rates are effective as of Jan. 12 but, under statutory terms, the commissioner may conduct a hearing within 20 days after receipt of a request therefor and he is given 15 days more to make his final decision as to whether he will reconsider his disapproval. He is permitting use of the old schedule until decision is reached on the bureau's protest.

Indiana Agent Seeks to Recover Gaming Losses

Charles R. Ettinger, who was secretary-treasurer and general manager of the J. G. McCullough agency of Indianapolis that went into receivership the other day, was extensively publicized this week because of an action he has brought in superior court at Indianapolis to recover \$26,829 that he said he had lost at dice games at the Spinning Wheel in Indianapolis and at the Gun Club in Hamilton county. He brought the action under an Indiana law providing for the recovery of money lost in gambling if the suit is instituted within six months from the date of the loss.

Mr. Ettinger was clerk of Marion county from 1939 to 1942 and since that time had been with the local agency. The latter went into receivership in a suit filed Dec. 26 listing liabilities from \$50,000 to \$60,000. Mr. Ettinger was called as a witness in the proceedings but declined to answer questions concerning what had happened to the money and assets of the firm.

Sawyer Covers Ground from S.E.U.A. Decision to Today

William T. Cline of Conkling, Price & Webb, Chicago, as vice-president and secretary of National Assn. of Casualty & Surety Agents, announces that a comprehensive report, written by Judge Elmer W. Sawyer, counsel for the association and for National Assn. of Insurance Brokers, has been made to the two associations and that he has sent copies to all members.

Under the caption, "Congress Examines State Regulation of Insurance," the report covers the first phase of the effort to establish a satisfactory system of state regulation of the business—from the S.E.U.A. decision to adjournment of the first session of the 80th congress. The report is extensively documented and presents the current picture as it will appear to Congress when that body, taking advantage of a six months extension of the moratorium for the purpose, examines the situation to determine what further action, if any, is needed by it at this time.

A limited number of copies is available for distribution, and may be had by writing Mr. Cline at 1423 Insurance Exchange, Chicago.

Silver Named in Marine Post by Fireman's Fund

Fireman's Fund has appointed E. V. Silver, Jr. assistant manager of the Atlantic marine department. Mr. Silver has spent his entire business career with Fireman's Fund, having joined them upon his graduation from Yale in 1929. He has specialized in inland marine and will continue to supervise metropolitan underwriting.

Rating Division Handicapped

LANSING, MICH.—L. H. Moore, director of the fire rating division of the Michigan department, has been confined to a hospital with an ailment not as yet fully diagnosed. His absence from his post, Commissioner Forbes said, is delaying the division's progress in handling rate filings and other matters. The civil service office so far has not provided an assistant for Mr. Moore, although the legislature made an appropriation for the position. Richard M. Atwell, casualty division director, also lacks an assistant, for the same reason.

No Change in Miss.

In view of the fact that the matter of commissions is very much to the fore at this time, those that are not familiar with the Mississippi system attached undue significance to an article in the insurance section of a publication the other day, setting forth the rates of commission to be paid to Mississippi

agents on fire business in 1948. This is simply an annual occurrence for that state and apparently there are no changes in the 1948 scales. The procedure is for the Mississippi insurance commission to ask stock fire companies for written opinions of what the insurer should pay on various fire lines and then the insurance commission fixes the commission rates which must be uniform.

Wage Violation Report

WASHINGTON—Violations of the minimum wage and overtime provisions of the fair labor standards act were found in 35% of the 1,263 inspections in the insurance industry, according to the 1947 annual report of the wage and hour division, U. S. Department of Labor. The report for the 12 months ended June 30, 1947, shows that the insurance establishment inspections resulted in back wages amounting to \$78,852 agreed or ordered to be paid to 2,884 employees.

While most violations revealed had resulted from improper computation of overtime pay, it was found also that there were employers who had failed to pay some of their employees the 40-cent-an-hour minimum wage. In all, it was shown that 239 employees in the insurance industry had been paid less than the minimum wage at some time during the period covered by the inspections. In a few instances, violations of the law's child-labor provisions were found.

Wm. R. McComb, administrator of the division, says that the violations disclosed are not necessarily representative of the industry's compliance record as a whole, since the division makes inspections "where there is a high degree of probability that violations will be found."

Ask for More Data in Va.

RICHMOND—Auto physical damage insurers in Virginia have been given opportunity to obtain additional information in their effort to gain rate increases here. Following a two-day session before the state corporation commission, the hearing was adjourned until Jan. 23 to afford them opportunity to get more data bearing on the case.

At last week's hearing, William D. Hall, actuary for National Automobile Underwriters Assn., produced evidence that existing rate schedules, even though they average 71% higher than rates of 1941 do not create a profit. He said the companies are hopeful that the loss ratio during the current year will be more satisfactory and that some reduction in rates may be asked if that proves to be the case.

He said the companies are now experiencing an earned income loss ratio 72.8% based on 1946 figures.

Laurence M. Fessenden, special agent at Boston for National Liberty, has been appointed assistant manager of the Boston service office of National Liberty, Baltimore American, and Paul Revere.

CASUALTY ACCOUNTANT

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Ferguson to Oil Pool Head Office

General Manager C. N. Comegys of Oil Insurance Assn. announces the appointment of Charles W. Ferguson as an additional assistant general manager at the Chicago office. Mr. Ferguson has been with the association in Texas since 1928, and acted as manager at Dallas for the past 10 years.



C. W. Ferguson

Subsequent to his University of Illinois schooling Mr. Ferguson was connected with Illinois Inspection Bureau for over three years and prior to that spent several years in one of the large oil refineries in the middle west.

While Mr. Ferguson will continue to devote part of his time to the southwestern territory his principal duties will be in connection with the many problems originating in the Chicago office brought about by the Association's growing volume and expanding class of business.

\$450,000 N. Y. Pier Fire Shared by 11 Companies

NEW YORK—A \$400,000 loss is expected from the Brooklyn fire which last week completely destroyed a pier operated by New York Dock Co. The loss is shared by Pearl, Aetna, National Union, Home, American Equitable, United States Fire, Standard of New York, Queen and National.

The loss was total with practically no salvage anticipated. The dock company had the \$400,000 written on a blanket basis for all its property, and not specific on this location.

An additional \$50,000 rent insurance loss was covered by Great American and Continental. Adjusters on the loss are Dargan & Co. and Robert F. Tierney.

Charges Neb. Violation

LINCOLN—An investigation by the rating division of the Nebraska department has disclosed the first apparent violation of the fire, marine and inland marine insurance rating act effective Sept. 7, 1947, by a stock fire company.

This is the first alleged violation of the new rating laws which has come to the attention of the department.

The investigation disclosed that an Omaha agency has written fire insurance on property in an unprotected area at a preferred rate available only to districts with proper fire safeguards. The rate used was not in accord with that filed. The director has ordered the insurer to show cause why its license should not be revoked. A hearing will be held Jan. 26.

Reciprocals Knock on Door

First reciprocals to take advantage of the new Massachusetts law permitting the licensing of this type of insurer in that state are Cannors Exchange and Warner Reciprocal Insurers, both of which are managed by the Lansing B. Warner organization of Chicago.

Invite All Commissioners

ST. PAUL—All the insurance commissioners of the country have been invited to the testimonial dinner here Jan. 19 for Newell R. Johnson and his successor as insurance commissioner, Ar-

mand W. Harris. The dinner is sponsored as an all-industry affair by Insurance Federation of Minnesota and an attendance of about 300 public officials, agents and company men is indicated by advance reservations.

Charles F. Liscomb, Duluth, past president of the federation and also of N.A.I.A., will be master of ceremonies and the speaker will be Pierce Butler, St. Paul attorney, son of a former justice of the U. S. Supreme Court.

Mich. Meetings Scheduled

Howard W. Huttenlocher, Pontiac, president, and Waldo O. Hildebrand,

Lansing, secretary-treasurer Michigan Assn. of Insurance Agents, will attend a series of meetings next week.

At the first at Port Huron Jan. 14 Commissioner Forbes will discuss rate filings.

Other meetings are scheduled for Kalamazoo at noon Jan. 20, St. Joseph that evening, for agents of Benton Harbor, St. Joseph and Niles, and Muskegon Jan. 21.

New Title for Graham

James R. Graham, who returned to Chicago this week as western department manager of U. S. Aviation Un-

derwriters, has been named resident vice-president there. He opened the western department in 1939 and went to New York in 1942 as production manager. Later he became eastern department manager. He was in general insurance from 1926.

New Cincinnati Directors

CINCINNATI — New directors elected at the annual meeting of Cincinnati Fire Underwriters Assn. are: T. T. Bryant, W. H. Kreidler, and H. Patrick Sweeney. The directors will meet Jan. 19 to elect officers from their group.



1841 1948 • SECURITY, THE NATION'S WATCHWORD

FIRE PREVENTION
is
YOUR
BUSINESS



In every community there should be organized efforts to prevent fires.

If the American people—the people in your community—were always conscious of the methods by which lives, jobs and property can be saved through fire prevention, today's alarming record would not exist.

Every insurance agent has a vital stake in the fire safety programs in his community. Do you regularly advise all your commercial and industrial clients on how to get rid of fire hazards in their plants and stores? Are you active in the local committees and organizations engaged in teaching and showing people how to prevent fires at home? Do you take part in clean-up and inspection campaigns? If community efforts such as these don't exist where you are, have you

done everything possible to organize them?

Organizing methods are freely available. Several national associations will supply you with inspection forms, check lists, printed material, complete programs for reducing fire hazards and getting property owners to reduce fire hazards themselves. If you are not familiar with these facilities, we'll be delighted to make suggestions.

Good public relations can only be developed where the public is. Fire prevention can be accomplished only where the hazards are. Only the local representatives of the fire insurance industry can create the activity and inspire the efforts that will bring about a reduction in the terrible loss of lives, jobs and property caused by fire.

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Associated Aviation Plans to Open at Kansas City

Associated Aviation Underwriters will open a service office at 916 Walnut street, Kansas City, March 1 with J. Robert Chapman as manager. Mr. Chapman was with the casualty department of Marsh & McLennan at the head office at Chicago for seven years before the war.

He was recently discharged as a lieutenant commander from the navy where he spent the past six years, his last assignment having been with the office of naval research. He will stay in Chicago a week before moving to Kansas City to open the new office.

Donald K. Champaign, an underwriter at Los Angeles, has been transferred to New York but will aid Mr. Chapman temporarily in setting up the new Kansas City office.

Adjustment Company Sold

Tharpe Adjustment Co., Wichita, organized in 1939 by Harry W. Tharpe, has been purchased by two of Mr. Tharpe's associates, G. E. Shank and C. C. Clark. The firm name will remain unchanged and Mr. Tharpe will continue with the office in an advisory capacity. Mr. Shank has been with the company since 1940 and Mr. Clark since 1945, prior to which he was associated with his father in the Byrd H. Clark agency at Erie, Kan. Mr. Tharpe has been in the adjustment business 30 years. He is president of Wichita Claim Men's Assn. and a past big toad of the Sunflower Blue Goose puddle at Wichita.

Madison Board Elects

MADISON, WIS. — Madison Insurance Board, at its annual meeting, elected J. G. Comeford president to succeed Harry L. Geisler, who was named vice-president. V. L. Sheehan was reelected secretary. Walter F. Schar, Henry H. Bush and Mr. Comeford were elected directors.

Plan Minn. Hail Panels

MINNEAPOLIS — A series of hail insurance panel meetings for the coming spring is being arranged by George S. Blomgren, executive secretary of Minnesota Assn. of Insurance Agents. These meetings will be put on by hail underwriters of companies writing that business and conducted before four or five regional agents' associations in those sections where the bulk of the hail business is written.

Lloyds on Latest Crash

Rhode Island and American F. & C. had the coverages on the Coastal Airlines DC-3 that crashed near Savannah killing most of the passengers and the pilot. The plane was enroute from Newark to Puerto Rico and most of the passengers were Puerto Ricans returning to their homeland. DC-3's are generally valued at about \$75,000 but this one was a converted army transport and the value was probably less than half that figure. There is no limit to the amount of damages recoverable under the wrongful death statute in Georgia.

Big Wash. Lumber Mill Loss

Fire destroyed the Stevenson, Dauenbueck & Stevenson lumber mill at Bingen, Wash., with loss estimated at \$200,000.

Three New Dooly Partners

The Dooly & Co. agency, Portland, Ore., has admitted to partnership three associates, R. W. Rimbach, F. Warren Munro and James W. Bayless.

Founders in Washington

Founders Fire & Marine of Los Angeles has entered Washington. Its first agency appointment is Anthony, Baker & Burns of Spokane.

Indianapolis Fire to Cost Nearly \$250,000

INDIANAPOLIS — Newspaper estimates of a \$500,000 mercantile building fire in Indianapolis Jan. 11 had shrunk more than half in the light of the adjusters' appraisals the following day. The loss involved a spectacular fire in a North Meridian street building used jointly by four enterprises.

Loss to the building at 1001 North Meridian street owned by Glenn F. Warren was placed at from \$60,000 to \$80,000. Insurance was in First National, through the Hadley-Mahoney agency, with \$60,000 insurance in force at the 80% coinsurance rate. The insurance had recently been increased in line with a recommendation of the agent. Rents insurance of \$15,000 was in force, also in First National.

Sheldon Book, manager of the U. S. Rubber Co. branch which suffered heavy damage, originally estimated loss to his company at less than \$100,000 in merchandise and office equipment. This was insured on an open policy with the Factory Mutuals.

Minneapolis Honeywell's sales branch reported \$35,000 in contents insurance with the Niagara, with loss about 60% total. Skinner Radio, a retail radio store and repair shop, carried \$2,000 contents coverage in Firemen's with a loss variously estimated from \$15,000 to \$25,000.

The second floor of the 2-story building was given over to a warehouse and class room for the Lincoln School of Chiropractics. School authorities estimate their loss at something less than \$20,000, with coverage for \$10,000 provided through Indiana Lumbermen's.

May Meet at Kansas City

KANSAS CITY — It has been learned that Kansas City is being seriously considered by officers of National Assn. of Insurance Agents as the place for the next meeting of the executive committee. The gathering will be held here Feb. 20-22 if the hotel accommodations can be obtained.

If the final arrangements are made to have this gathering in Kansas City, representatives of the surrounding state associations, Arkansas, Iowa, Kansas, Missouri, Nebraska, Oklahoma and Texas probably will be invited to attend.

Knapp to St. Paul F. & M.

Charles W. Knapp, Jr., has joined the eastern department of St. Paul F. & M. in the fire underwriting department.

Mr. Knapp started his insurance career with the Zweig, Smith & Co. agency in New York and later joined White & Camby until he entered the army. After his discharge he was with American for 3½ years.

Seattle Marine Men Meet

The annual meeting of Board of Marine Underwriters of Seattle will be held Jan. 23. C. H. Preston of A. B. Knowles & Co., president, will preside over the business meeting and election. There will be a cocktail hour and banquet and the premiere of the Fireman's Fund sound film depicting salvage of canned salmon from the "Diamond Knot."

Another Ohio Citation

COLUMBUS — The Ohio department issued a citation to another fire insurance company to appear and reply to charges of violating the anti-compact act. Under the administrative code the concern against whom a complaint has been made shall be given a 30 day notice to the effect that he is entitled to a hearing, which must be within 15 days and not less than seven. If no response is made to the notice, the department may proceed as it sees fit. This is reported to be the fourth insurer to be cited on charges of violating the anti-compact law because of the commission reduction program.

Brokers and Agents Groups Officials Before F.U.A.P.

SAN FRANCISCO — Frank Colridge, executive secretary National Assn. of Insurance Agents, and W. Winthrop Clement, executive director National Assn. of Insurance Brokers, will speak at the annual meeting of the Fire Underwriters Assn. of the Pacific, March 3-4.

Purdy Opens at Harlingen

Purdy Adjustment Co. has been established in the First National Bank building at Harlingen, Tex., to serve insurers in the lower Rio Grande valley of Texas and northern Mexico. The manager, Clifford H. Purdy, has had 20 years experience in adjusting fire and allied claims in south Texas.

Zone Meeting at Wichita

A zone meeting of Kansas Assn. of Insurance Agents will be held at Wichita Jan. 22. Vice-president George F. Bacon of Eldorado will be in charge.

Smoke & Cinder Election

PITTSBURGH — New officers of Smoke & Cinder Club are A. C. Bachman, president; G. R. Arrington, vice-president; C. M. Berlin, secretary, and L. H. Larson, treasurer. They will be installed at a meeting Jan. 19.

Rash of School Fires in Midwest

Three school fires within the last 10 days caused damage estimated at nearly \$300,000. Running about \$100,000 apiece, the schools involved were the Central high school at Evansville, Ind., and high schools at Pikeville, Ky., and Muncie, Ind.

Dallas Agents Study New Forms

A one-day study of the new casualty rates, forms and coverages will be conducted by the Dallas Insurance Agents Assn. at the Baker Hotel, Dallas, Jan. 26, in lieu of the monthly membership meeting. Casualty Commissioner J. P. Gibbs and six of his department heads will explain the changes in casualty lines made in 1948.

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N. Y. Exchange Jan. 21 Votes on Vital Changes

NEW YORK—New York Fire Insurance Exchange will meet Jan. 21 to vote on vital changes that will alter the complexion of the organization and that are recommended by the executive committee.

The exchange would relinquish its rating functions; it would eliminate limitations on the number of writing offices and on territory; it would eliminate money penalties and fines, and would change the voting requirements to a majority vote.

A committee is proposed to study qualification and set up standards and reasonable commission rates and publish them as advisory guides.

Hammond Succeeds Liston

Thomas G. Hammond, Jr., has been appointed manager of the casualty department of Frazier & Co., Seattle general agency. He has been with McCollister & Co., and succeeds J. Glen Liston, who resigned recently to enter the local agency business.

Tells FCIC Profit

WASHINGTON—In a special report to Congress on federal crop insurance operations in 1947 Secretary of Agriculture Anderson says that FCIC for the first time has achieved a substantial accumulation of premium reserves in excess of losses paid.

Although loss adjustments are not yet complete on cotton, corn and tobacco, premiums can be expected to exceed losses paid by about \$15 million. This results from favorable experience in wheat, cotton, flax and tobacco. Corn losses were considerably in excess of premiums.

Willoughby New President

Underwriters Assn. of New York State at its annual meeting at Syracuse elected R. E. Willoughby, National Fire, Buffalo, president; E. V. Judge, Atlas, Syracuse, and R. E. Eisert, Agricultural, Buffalo, vice-presidents; Arthur Birch-enough, New York Fire Insurance Rating organization, Syracuse, secretary, and R. O. Reid, North British, Albany, chairman executive committee.

DC-3 Crashes in Md.

Associated Aviation Underwriters carries the hull and liability cover for Eastern Airlines whose DC-3 crashed in Maryland. The two-engined planes are usually insured for about \$75,000. Five persons were killed in the crash including two crew members. Four persons were injured. There is no statutory limit in Maryland on recovery of damages for wrongful death.

D. A. Lockwood Independent

Donald A. Lockwood has resigned as superintendent of the inland marine department of Norwich Union to enter the adjustment field. He will conduct his own business as independent adjuster, specializing in fire and inland marine losses in the New York metropolitan area. He is a graduate of Columbia and was with the Loyalty group 17 years. He was superintendent of the fire and

inland marine departments of Manufacturers Fire at New York before joining Norwich Union.

Two PPF Bureaus in Ill.

In referring to the fact that Illinois Personal Property Floater Bureau had

been disbanded the statement was made that Inland Marine Insurance Bureau is now the rating organization in Illinois. It should have been stated that Transportation Insurance Rating Bureau is also licensed in Illinois and is the rating bureau for mutual companies in connection with the P.P.F. The mutual

companies were formerly members of Illinois Personal Property Floater Bureau, but their requirements in connection with the personal property floater are now being taken care of by T.I.R.B. This is a change from the former situation in that two bureaus are operating for the P.P.F. instead of one.

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NEWS OF FIELD MEN

Card Ready for Illinois Field Men at Springfield

Five speakers have been announced for the midyear meeting Jan. 29 at Springfield of Illinois Fire Underwriters Assn. They are Will S. Ellis, assistant manager in Chicago of Royal, who will discuss the new premium adjustment plan for business interruption insurance, and Zean Gassman, Illinois superintendent of farms and dairies, who will talk on the activities of the state agricultural department.

George W. Traver, manager of public relations for the National Board, Walter Dithmer, chairman of the Indiana Fire Underwriters public relations committee, Harry K. Rogers, Western Actuarial Bureau, will speak on the public relations program.

In the afternoon the Fire Prevention Assn. will elect officers at their annual meeting.

The field men will meet at the Leland hotel. The evening before, the Illinois Blue Goose will meet at the Abraham Lincoln hotel for its midyear meeting. E. J. Beauvais, most loyal grand gander, is expected to attend.

C. E. Smith Rochester Head

At the annual meeting of the Rochester Field Club, the following officers were elected:

President, Chauncey E. Smith, America Fore; vice-president, J. Marshall Richardson, Springfield F. & M.; secretary, Arthur C. Kenyon, Aetna Fire; chairman of the executive committee, Edward A. Greenhalgh, Providence Washington; members of executive committee, John H. Thetford, Jr., Great American; John A. Reilly, Phoenix of Hartford; David B. Gere, Fidelity-Phoenix, and Frank A. Beugless, Home.

Eastern Ia. Meet Jan. 27

The eastern Iowa puddle of Blue Goose will meet at Waterloo Jan. 27.

Iowa Fire Prevention Assn. will inspect West Liberty Jan. 29.

Valley Elected President of Washington Field Men

Fred W. Valley, Royal-Liverpool, was elected president of Washington Fire Underwriters Assn. at the annual meeting at Seattle. John D. McAnally, America Fore, is vice-president, and John G. Miller, Groninger & Co., secretary-treasurer. There was a last-minute change in the slate submitted by the nominating committee, headed by D. A. McKinley, Royal. Ellsworth Simpson was replaced as nominee for vice-president, after he announced that he was being transferred to the St. Paul F.&M. Pacific department at San Francisco soon to take a new post.

Carl F. Zecher, retiring president, and Mr. McKinley were named to the executive committee.

Witmeier in N. Y. Field

Security of New Haven has appointed Donald M. Witmeier special agent for eastern New York with headquarters at 78 State street, Albany.

Mr. Witmeier is a graduate of Syracuse University and later was with New York Fire Insurance Rating Organization, which position he resigned to enter military service. After five years service, he was discharged as major in the general staff corps. For the past two years Mr. Witmeier has been employed at the home office of Security and as special agent in New Jersey. He is a brother of Forrest Witmeier, president of Excelsior of Syracuse.

New Prevention Secretary

William H. Klosterman, Loyalty group, has been elected secretary of Missouri Fire Prevention Assn. to succeed Austin Augustine of Home, recently transferred to Des Moines.

The association inspected Warrensburg Jan. 13-14.

Honor Galloway in Ky.

Kentucky Fire Underwriters Assn. at its January meeting at Louisville, celebrated J. Grover Galloway day, in honor

of the retired state agent of North British & Mercantile. Mr. Galloway was presented a combination portable radio.

Speaker was E. H. Born, manager of Western Underwriters Assn., Chicago, who was invited down by the association's executive committee. It was his first trip to Louisville in several years.

Stanton Takes Ore. Post

Henry Stanton has been named special agent for Oregon of Fireman's Fund, succeeding Glenn F. Lett. Mr. Stanton was for seven years with F.I.A. in New England before joining Fireman's Fund. He served in the navy in the last war. Mr. Lett has been called to the home office to assist in the underwriting department. He went to Portland from Spokane 3½ years ago.

Julian H. Speed Retires

Julian H. Speed, state agent at Fort Worth for Royal, has retired and the office there has been closed temporarily.

Robert S. Parker, special agent who has been associated with Mr. Speed, will succeed him and will headquarter at Dallas. George S. Fletcher will have charge of northeast Texas working out of Dallas.

Mr. Speed recently was guest of honor at a testimonial dinner.

Albany Field Club Elects

Leslie H. Enderton, Crum & Forster, is the new president of Albany Field Club. Vice-president is Arnold H. Parker, London & Lancashire; treasurer, C. Lawrence Newman, Commercial Union; secretary, Edward C. Brinley, Hartford Fire. Walden M. Howe, Sun; James R. Ryan, New Hampshire, and David Davidson, America Fore, compose the executive committee.

Four Get Life Memberships

Life memberships in San Francisco Blue Goose have been issued to George A. Davies, Theodore Castle, Munro English and Harry W. Nason.

A talk on human whims and foibles was given by Robert Whiteside, director Personology and Foundation of San Francisco, speaking on "How We Vary as Individuals."

Fire Assn. Names Pray

Fire Association has appointed Samuel W. Pray special agent in eastern Massachusetts and Rhode Island, associated with Frederick L. Michel, special agent in charge. His headquarters will be at Boston.

Mr. Pray joined Fire Association after the war at New York in the ocean and inland marine underwriting department.

Strayer Named in Iowa Field

National Union has appointed Norman F. Strayer, Jr., special agent in Iowa assisting W. A. Brewelow, state agent, with headquarters in the Liberty building, Des Moines. Mr. Strayer has been with Iowa Inspection Bureau and before that was in the army for five years.

Radcliffe Heads New Office

Hartford Fire has opened a new office at San Diego to handle fire and marine business for its producers in that area under the supervision of Fred M. Radcliffe. He formerly was in the Chicago and midwest fields before moving to California.

W. Va. Field Rallies

The annual meeting of Field Club of West Virginia will be held at Pritchard hotel, Huntington, Jan. 21-22. The principal address will be given by Emmett T. Cox of Western Actuarial Bureau. The West Virginia Blue Goose will meet the afternoon of Jan. 21 and then there will be a cocktail hour and dinner.

William C. Rosenbaum, manager in-

vestors division Better Business Bureau of St. Louis, spoke on "Is Business Honest?" at a luncheon meeting of the St. Louis Blue Goose.

Hanover Field Men to Gather

Field men of the western department of Hanover will meet at the Sheraton hotel, Chicago, the week of Jan. 19, for their annual get-together. John Rygel, vice-president in charge of the western department, will be in charge and President F. E. Sammons will attend.

Oklahoma Fire Prevention Assn. will inspect Pauls Valley Jan. 20. Among the speakers will be D. E. Waggaman of Commercial Union.

Stillwater Association of Commerce will sponsor an inspection of that city by Minnesota Fire Prevention Assn. in February.

Pennsylvania Field Club met at Colonial Park, Pa. Ralph H. Alexander, deputy commissioner, talked on rate regulation.

COMPANIES

American Revises Field Supervision Duties

American rearranged its territorial field supervision. William W. Cochran, newly appointed field supervisor, will have charge of central and eastern Pennsylvania, Maryland, District of Columbia and Delaware. J. Walter Byrne, who has been a field supervisor since September, will direct operations in western, central and eastern New York, Allegheny county and western Pennsylvania. They will assist Vice-president Bert A. Jochen.

Mr. Cochran graduated at Princeton in 1929. He resigned as assistant treasurer of American in 1942 to enter military service and attained the rank of lieutenant colonel. He resumed his connection with American in 1945.

Mr. Byrne attended University of Illinois, and was in the local agency business for nine years at South Bend, Ind. His field experience includes six years with the Loyalty group, prior to his appointment by American to cover northern Indiana.

Swanson Agency Chief

St. Paul Fire & Marine has named D. W. Swanson superintendent of agencies, a newly created post, and Douglas Swansick assistant. Mr. Swan-

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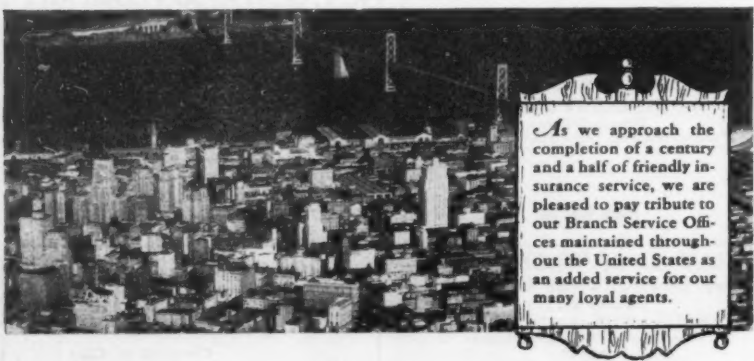
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L. J. Wiman Named Great American Comptroller

Louis J. Wiman has been elected comptroller of Great American. For the past 18 years he has been connected with Joseph Froggatt & Co. in an executive capacity.

Stuyvesant Names Helburn

Otto J. Helburn has been named home office automobile claims manager of Stuyvesant. Mr. Helburn has been previously with General Exchange and more recently with Service Fire as assistant secretary.

Brainerd Phoenix Director

Lyman B. Brainerd, president of Hartford Steam Boiler, has been elected a director of Phoenix of Hartford and Connecticut Fire.

Wilbur G. Hoye, partner of Charles W. Scranton & Co., investment bankers, has been elected a director of Security of New Haven.

Robert S. Barber has been named secretary of West Bend Mutual Fire to succeed the late August C. Fuge.

South Carolina has been licensed in Oklahoma to write fire lines.

NEW YORK

HEAR DEALER SPOKESMAN

Automobile Claims Assn. of New York at a luncheon meeting heard George Copeland, general counsel of New York Automobile Dealers Assn., speak on "Dealer's Relationship with Insurance Companies."

ANDERSON LECTURES

Second semester courses in industrial safety and fire protection engineering will start at New York University Feb. 2. The classes are ordinarily open only to college graduates. Henry Anderson,

insurance manager for Paramount Pictures, is one of the lecturers.

C. & R. DANCE FEB. 6

Members of the Corroon & Reynolds home office employees club will hold their annual dance at Hotel Taft Feb. 6.

Walter R. McClelland, executive secretary of Risk Research Institute, discussed the insurance problems of the retailer at the New York University School of Retailing.

CHICAGO

HOLCOMB HEADS NEW FIRM

G. D. Holcomb, Jr., for 3½ years manager at Chicago for Aero Insurance Underwriters, has resigned to become resident vice-president of Stewart, Smith (Illinois), Inc. This is a new corporation formed by Stewart, Smith & Co., London brokerage firm, and will operate in the midwest. It will do an aviation and general fire and casualty business through agents and brokers. It also will do reinsurance business on various lines with companies.

The new office is at 1568 Board of Trade building, Chicago.

Mr. Holcomb went with Aero in 1942 in Chicago. Previously he had been with the State Farm companies as manager at Mason City, Ia., and subsequently as agency superintendent of State Farm Fire.

ASSOCIATED AGENCIES EXPANDING

Associated Agencies is enlarging its space on the 16th floor of the Insurance Exchange building, Chicago. The firm has taken over the space formerly occupied by Haskell, Miller, Grossman & Co. agency, which has moved to the 18th floor. It also is taking part of the space of Railway Underwriters, which has reduced its space somewhat.

The expansion will allow Associated Agencies about 2,500 more feet of space.

MILLER ADDRESSES BUYERS

Lewis F. Miller, special risk department of Zurich, is the speaker Thursday evening at the January meeting of Midwest Insurance Buyers Assn. Mr. Miller's subject is "Pros and Cons of Retropective Rating—Interstate Rating."

NAME C.P.C.U. CHAIRMEN

Malcolm G. Young, president of the Chicago C.P.C.U. chapter, has appointed as committee chairmen: auditing, Kenneth E. Webster, agent; education, Robert M. Babbitt, Jr., Joyce & Co.; convention, Gerald E. Myers, sales engineer, W. A. Alexander & Co., general chairman; H. W. Mullins, National Fire; James B. Murphy, Edward H. Walters & Co.; program, Robert B. Ayres, agent; publicity, R. Maynard Toelle, Fireman's Fund, and sponsorship, Donald M. Wood, Jr., Childs & Wood.

Gerald E. Myers, substituting for Mr. Mullins, presented a paper on the premium adjustment endorsement now available on the gross earnings form of business interruption insurance.

DON SPLINTER OPENS AGENCY

Don Splinter, former manager of the accident and health department of American Casualty's Chicago branch, has opened the Don Splinter agency there at 10 South LaSalle street.

The formation of this general agency, writing all lines of fire, casualty and life insurance, is the culmination of his 14 years' experience in the business. He began with the Homer Gwinn Agency of Chicago in 1934, leaving in 1940 to go with the Accident & Casualty as special agent for Illinois and

Indiana. Serving as a pilot with the army air force in the war, he returned in 1945 as aviation field representative for American Casualty companies. With their company's withdrawal from the aviation field he was promoted to manager of the accident and health department at Chicago in which capacity he has served until his recent resignation to become a local agent.

LAW BROS. MOVES

The Law Bros. local agency of Chicago has moved into larger quarters in 554 Field building. This adjoins the Reserve of Chicago, of which M. J. Law, partner in the agency, is agency director. The other partner in the agency is Raymond W. Law. The agency is 26 years old. It represents as agent American Mutual Life of Des Moines and does a general insurance brokerage business.

The George S. Neibel agency Middleton, O., has been sold to the Ralph Grimes Agency. Mr. Neibel is retiring.

Hard to Find Insurance Men for FCIC Board

WASHINGTON—Gus Geissler, manager of Federal Crop Insurance Corp., hopes to be able to see Secretary of Agriculture Anderson shortly for a conference on appointment of two experienced insurance men to the FCIC board of directors. Mr. Geissler is understood to have names of several insurance men to talk over with the Secretary. Mr. Geissler has been experiencing trouble in finding men of the right caliber to take over the jobs, on account of their being part time and paying little compensation.

Lincoln Claim Men Meet

LINCOLN NEB.—The dinner meeting of Lincoln Claim Men's Assn. was featured by a roundtable discussion on fire and casualty claims. Dave Prall presided.

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EDITORIAL COMMENT

Kinds of Insurance

We got the other day the question: "How many kinds of insurance are there?" Being an old hand at breaking the chain of children's questions by coming up with a precise answer, we replied 1,169.

Later we got to thinking that implicit in such a question was a lack of understanding of insurance fundamentals. Perhaps insurance itself has been guilty of contributing to the lack of comprehension of the essentially simple nature of its services on the part of the public and on the part of its newer practitioners by putting such a variety of labels on its products or by using both in the trade and before the public terms pertaining to internal underwriting divisions that do not represent true, logical classifications of insurance.

C. W. Seabury, chairman of Marsh & McLennan, in a talk the other day, remarked that in 1721, just a year after London Assurance was founded as a marine insurer, its charter was amended in such a fashion that it has since been able to offer every type of insurance protection for which a need has arisen, including life, without again touching its charter. Perhaps, then, the charter of London Assurance would be truest answer to the question of how many kinds of insurance there are. It would certainly come close to expressing the unity of the insurance idea. We haven't seen it, but we doubt that it enumerates personal property floater, farm insurance, auto comprehensive, U. & O., O. D., B. I., P. D., W. C., etc.

It seems to us that if a statement could be devised that would give the public in brief fashion a statement of the various perils that can be insured against according to broad groupings of properties and operations, it would convey to the public a better understanding of the first principles of insurance, it would be more suggestive to them of the hazards that they face and that they can protect against than is an exhaustive listing of policy labels and underwriting compartments, and it would tend to make them more intelligent insurance buyers.

To get up such a statement is an engaging project. We tried our hand at it and discovered numerous pitfalls in trying to achieve simplification and were on the point of discarding the whole effort, when it occurred to us that by setting up here part of the result of our struggles, some skilled analysts might be tempted to create a much more perfect catalogue of logical divisions of insur-

ance for public reference. So, with apologies we set forth simply some of the classifications as we have undertaken to define them:

We insure interests in almost all types of physical property against such specified perils where applicable as fire, wind-storm, hail, explosion, falling aircraft, certain types of smoke damage, sprinkler leakage, burglary, theft, robbery, and we insure many types of valuables (some, wherever they may be) against virtually all-risks, these including plate glass, household belongings, fur coats, jewelry, patterns and dies, wedding presents, stamp collections—(and here continue to list the various inland marine lines).

We insure commercial vessels and their cargoes and pleasure vessels against the perils to which they are subject.

We insure against such losses that are conjunctive to destruction of property by specified perils as diminution of earnings, cost of continuing operations under handicaps, loss of rents, rental of substitute habitation, destruction of leasehold interest.

We insure automobiles against collision and fire, theft and incidental hazards.

We insure against loss to the individual caused by sickness and accident and loss to his family caused by his accidental death.

We insure against the legal and financial consequences of accidents negligently arising out of personal activities and out of the operation or ownership of such things as the automobile, commercial or pleasure vessels, the home, a business and we provide for gratuitous payment of medical expenses to those who could recover at law from the assured if the injuries were caused by his negligence.

We insure the responsibility of the employer under workmen's compensation and occupational diseases laws.

We insure against the financial loss caused by the dishonesty of employees and against loss due to forgery.

We provide surety bonds and service that are required by statute or that enable affairs to be done on a firmer basis when purchased voluntarily.

At this point we retreat in the hope that someone will fashion a more simple, comprehensive and exhaustive statement of the kinds of insurance there are.

"First class agents sell first class business to first class people."—W. B. Vennard.



PERSONAL SIDE OF THE BUSINESS

Ben F. Fronk, Manitowoc, Wis., state national director and past president of Wisconsin Assn. of Insurance Agents, has been elected vice-president of Manitowoc Chamber of Commerce.

Jan. 8 a group of about 50 close friends of **Harry W. Nason**, many from interests outside the insurance business, gave him an informal farewell banquet and party in San Francisco upon his retirement Jan. 1 after more than 40 years with America Fore. He will reside in Arizona, a territory with which he is familiar as a result of many years' activity in that section as a company underwriter and member of the Arizona Advisory Committee. At the dinner, which was completely informal, it was announced that he had been appointed a deputy insurance commissioner of Arizona to take over a special assignment, which will be temporary.

Charles F. Liscomb, past president of National Assn. of Insurance Agents, has been appointed chairman of Duluth's new housing and redevelopment authority.

Gale Tilman, manager of the automobile department of Western Adjustment at Chicago, underwent a serious operation at Evanston hospital.

Recuperating from a recent illness, **Stuart Ragland**, of Richmond, past president of Virginia Assn. of Insurance Agents, is spending several weeks in Jamaica.

J. Alden Trovillo, for 12 years with Underwriters Laboratories at Chicago and New York and for the past 1½ years professor of industrial management at the University of Kansas, has been named industrial manager of the Wichita Chamber of Commerce.

Clyde B. Smith, former president of National Assn. of Insurance Agents, underwent a second operation at St. Lawrence hospital, Lansing, the past week and was in rather serious condition over

the week-end but was reported improved Monday. He has been hospitalized for several weeks, first for a blood clot and subsequently as the result of surgery to correct an organic condition.

Harry E. Johnson, state agent for Hanover in Illinois, is the father of a daughter, Carole, born Jan. 2.

Wallace Rodgers, public relations counsel for Western Underwriters Assn., underwent a major surgical operation at St. Francis hospital, Evanston, Ill., Monday.

Carl E. Bailey, Wichita, state agent of Crum & Forster, is in Wesley Hospital for observation following several weeks of ill health. Two years ago Mr. Bailey underwent two major operations which confined him for several months.

DEATHS

C. D. M. Showalter, 82, one of the founders of Old Dominion Fire, Roanoke, Va., died in his sleep. Death was attributed to a heart condition. He was president of the company from 1932 until his retirement a year ago.

Charles W. Holland, 84, treasurer of the Buffalo agency of Woodworth-Hawley for 30 years before his retirement about 25 years ago, died at Arcadia, Cal.

Cornelius W. Layman, 69, adjuster for Iowa Mutual Tornado for 20 years, died at his home at Des Moines following two weeks' illness.

W. P. Lyons, Jr., 32, special agent in charge of the western Pennsylvania field for Fire Association, died suddenly at Pittsburgh. He joined the legal department of Fire Association in 1938 and was made superintendent of losses in 1942. His service was interrupted by three years of duty as an officer in the navy. Upon returning, he requested duty in the underwriting department and was sent to the western Pennsyl-

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"HERE'S WHY I'M PROUD TO BE AN INSURANCE MAN"



R. W. Hukill

"It would have done your heart good to see Mrs. Jones' face light up when I handed her a Pacific National draft covering her fire loss. And the way Bill Smith sighed with relief when I informed him of the protection his Use and Occupancy policy was going to afford him. Yes, we help hold things together for our friends and neighbors... we agents and brokers... and companies like the Pacific National with its friendly and wide-awake people."



PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO
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OFFICES IN PRINCIPAL CITIES
COAST TO COAST

vania field to succeed the late A. J. Ruth. Mr. Lyons was a law graduate of William & Mary.

R. W. Hukill, Noted Field Leader, Dead

Ralph W. Hukill, southwestern Ohio manager for Great American, and past most loyal grand gander of Blue Goose, died at his home in Cincinnati of a heart attack the day prior to his 53rd birthday.

Mr. Hukill had been engaged in the local agency business with his father, Fred E. Hukill, Jr., in Norwood, O., for many years, and had been in active charge since his father's retirement.

Mr. Hukill was a prominent and well liked field man. He was a past president of the Ohio Fire Underwriters Assn. and was active in that group and Ohio Fire Prevention Assn. for many years. He was most loyal grand gander of the Ohio pond of Blue Goose in 1927 and most loyal grand gander in 1938. He was a life member of the Fire Underwriters Assn. of the Northwest.

Mr. Hukill started in the insurance business in 1910 in his father's agency, and in 1919 joined Retail Druggists Mutual as special agent in Ohio. The following year he joined Ohio Inspection Bureau. In 1921 he joined Fireman's Fund as special agent at Columbus and Cincinnati, and in 1938 was named Ohio special agent for Great American. He became southwestern Ohio manager in 1941.

During World War I he was a lieutenant in the army.

Mrs. Fay B. Cleaveland, wife of Harry H. Cleaveland, Jr., president of Bituminous Casualty, Rock Island, Ill., and partner in the Cleaveland local agency there, died from a heart attack following a short illness. She was 49 years of age. Her son Harry H., III, is president of the agency. She was a native of Rock Island and active in community affairs, the Red Cross and philanthropic work for many years.

W. L. Bennett, who retired in 1941 as Chicago and Cook county manager of Hartford Fire died at his home at Los Angeles at the age of 74. He started his Hartford career in 1894 being employed as a clerk by the then general agent George F. Bissell in the western department. After three years doing office work he became assistant special agent for Cook county and in 1898 was given charge of northern Illinois and continued in that position until 1912. He was then shifted back to Cook county as special agent and served as Cook county manager from 1917 until his retirement. When he retired he was the oldest employe in the western department of Hartford Fire in point of continuous service. He was a prominent factor in the old Illinois State Board.

C. A. Seaman, 84, retired local agent and banker at Sedgwick, Kan., died in a Newton hospital, following a lingering illness. He retired in 1936 due to ill health after 36 years in the business.

Mrs. F. C. Kemmler, mother of Norman Kemmler, vice-president of Mid-state Underwriters, Inc., general agents of Omaha, died at that city.

Fred J. Dorman, superintendent of agents in the western department of Crum & Forster at Freeport, Ill., died suddenly of a heart attack at his home. He was stricken in the evening after having been at the office until 5:30 that day. His age was but 43. He was regarded as one of the strongest of the lieutenants at the Crum & Forster office there and was destined for greater responsibilities. Among other things he

was in charge of the training program for new men and he organized the instruction skillfully and took much interest in this work.

Mr. Dorman had been with Crum & Forster 17 years, starting as a map clerk and later becoming Minnesota state agent. He returned to the Freeport office about three years ago. He was a graduate of University of Illinois.

Many old friends of Mr. Dorman from Minnesota went to Freeport for the funeral, including Armand Harris, the new insurance commissioner.

Mr. Dorman was a past president of Minnesota Fire Underwriters Assn. and past most loyal grand gander of Minnesota Blue Goose.

John H. Anderson, 73, Midland, Mich., local agent, died there following a six months' illness. He had operated his agency for 25 years.

George W. Newton, 35, special agent of Commercial Union for seven years, died at St. Louis. Burial was at Marshall, Mo. His late father operated an agency there.

William U. Knight, 72, who retired in 1940 as Minnesota state agent of State of Pennsylvania after 49 years in fire insurance, died Tuesday. He was born at Chicago, started in 1891 with Niagara, then was with Frank Van Voorhies, Chicago independent adjuster 1893-94; joined L. & L. & G. in 1894, became Minnesota special agent in 1910 and went with State of Pennsylvania in 1917. He was an honorary member of Minnesota Underwriters Assn.

S. S. Perry, 80, vice-president of Massachusetts Bonding since 1911, died at his home at Boston.

Receive Entries for Awards in Fire Prevention Service

Entries are now being received in the annual Gold Medal Awards for distinguished public service in fire prevention, the National Board announces.

Each year since 1941 the National Board has awarded a gold medal or \$500 cash to the daily newspaper, and the radio station whose public service efforts in fire safety have contributed most to the betterment of its community. Last year, a similar award for weekly newspapers was inaugurated.

Last year the medal for daily papers went to the Chicago "Sun", for its campaign against hotel fire hazards following the La Salle Hotel disaster in June, 1946. The winning weekly paper was the Moberly, Mo., "Message", for its successful three year campaign for improved fire protection that raised the fire safety classification of its city. The

Local Board Fire Prevention Contest Rules Announced

NEW YORK—Rules and conditions governing the 1948 fire prevention contest for local boards of National Assn. of Insurance Agents have been announced by West Shell, Cincinnati, chairman N.A.I.A. fire prevention committee. The contest is sponsored by the National Board.

The contest is designed to stimulate the fire prevention activities of local associations and encourage formation of new associations, thereby making more effective the influence of the local insurance agent in this field of public service, Mr. Shell said.

Through the cooperation of the National Board, three prizes of \$500, \$300 and \$100 will be offered. The prizes will be used to purchase fire-fighting equipment for their community fire department.

Entries must be received at N.A.I.A. national headquarters by Aug. 31.

Seattle Agents Elect

SEATTLE—At the annual banquet of King County Insurance Assn. new officers were installed: Harrison P. Sargent, president; Jerome R. Storm, vice-president, and Kenneth G. Myers, secretary-treasurer. New trustees are: Chester D. Forshee, Tom Harman and E. R. Bowden.

W. Stanley Pearce, secretary of Fireman's Fund, spoke on Insurance Public Relations. Orion D. Starr of Thieme, Morris & Starr was toastmaster. Wayne C. Meek of Associated Insurance Agencies, a past president of the association, presented a desk pen set to Robert P. Cunningham, retiring president.

P. Lester Hawkes, Richmond local agent, is president of Dominion Abstract & Title Corp., just chartered there.

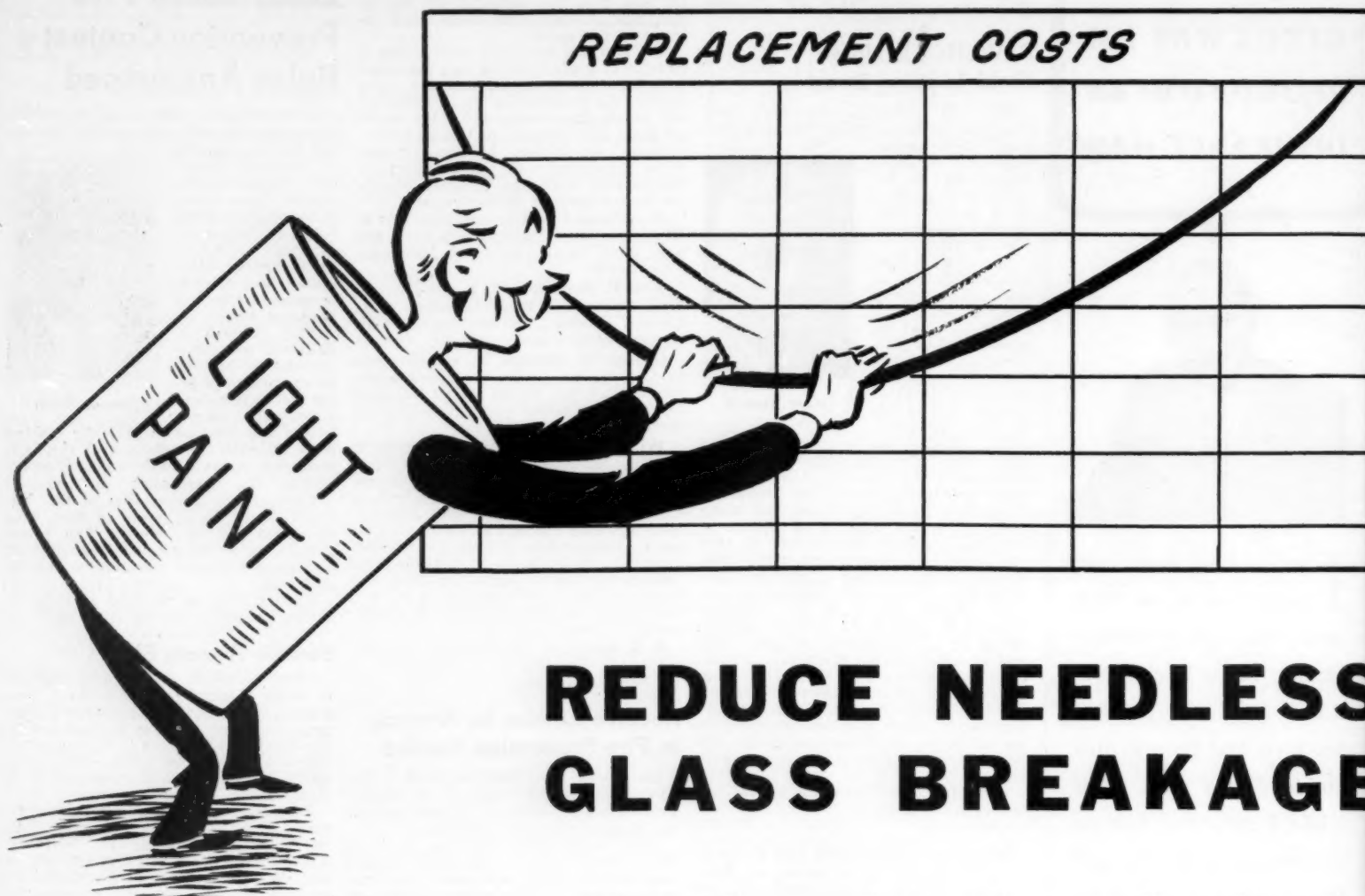
radio award went to WTIC, Hartford, operated by the Travelers companies, for its year-around fire prevention programs.

TO THE GENERAL INSURANCE AGENCY

Are you offering YOUR assured "cross-the-board facilities"? Multiple line facilities are increasingly important to your agency... fire, marine, casualty AND LIFE. This is no longer a trend but a "must" in modern agency development. There are compelling reasons why you should round out your operations with a Life Department.

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McCarran Dines With All-Industry Group at N. Y.

Advisory Rate Program for Unregulated States Is Discussed

By H. C. HALLAM

WASHINGTON — Most states having enacted fire and casualty rate regulatory legislation, there is no present necessity of extending the anti-trust law moratorium for the insurance industry under public law 15. On the other hand, the present problem is one of administering such state laws. These appear to be conclusions arrived at as a result of Senator McCarran's recent luncheon conference with insurance representatives at New York and the exchange of views here between members of Congress and members of the Council of State Governments, as well as among individual members of Congress.

Herbert L. Wiltsee, chairman of the insurance committee, Council of State Governments, which latter body met here last week, met with McCarran. The former expressed the belief that the big problem is one of state administration, and that nobody knows what that will develop until opportunity is given to try out the situation under the new state laws. Senator McCarran is reported to have agreed.

The entire business was represented at the New York luncheon, including the all-industry committee, disinterested, life, fire, casualty, mutuals, stock and reciprocal companies, agents both stock and mutual, and others concerned, to the total number reported at 35 or 40. Among those who journeyed up from Washington for the affair was Philip L. Baldwin, executive secretary National Assn. of Mutual Insurance Agents.

Luncheon Just Grew

According to information from McCarran's office, the New York luncheon was in the nature of an accident or fortuitous circumstance. The senator was journeying to New York, it was explained, to participate in an air forum broadcasting discussion of state divorce laws, in which he advocated legislation proposed by him that each state give full faith and credit to divorce laws and court decisions of all other states.

The senator has friends among the insurance fraternity at New York, and when one of them heard he was going there, it was said, he was invited to luncheon. The host then called in other industry representatives until all groups and interests were on hand. It is said the senator knew nothing about such an extensive setup or elaborate arrangements.

As a result of that and other developments, however, no sentiment has appeared here for extending the anti-trust moratorium, which expires June 30 next by law. In fact, some insurance observers go so far as to say that there was no necessity for extending the moratorium last summer beyond Dec. 31, 1947.

It is pointed out that all but a few states have passed fire and casualty regulatory legislation deemed necessary with relation to public law 15. In some few states where such legislation, either fire or casualty, has not been enacted, observers believe there is a chance that

Contract Bond Men Starting Along Royal Road of Volume

Prospects in the contract bond field, following a good year in 1947, look excellent for 1948 and probably several years thereafter. The great demand for building accruing from the lag in the depression and the industrial expansion during the war, makes contract bonding appear to be the choicest casualty line from the standpoint of premium increase and low loss ratio.

It had been expected that immediately following the war there would be tremendous expansion in the building industry and surety men had their pencils sharpened for a big flow of bonds. There was a big let-down of hopes when material shortages and labor difficulties stymied production. Then as the situation eased, there began a gradual increase in construction, but nowhere near the volume anticipated. However, in 1947 there was a substantial upturn and now that the supply situation is better and labor problems are largely ironed out, the bonding men will step into their own.

Government Projects Revived

One big factor in this growth is the revival of government projects, especially in reclamation of wasteland, and army engineers' construction. For example, in January alone, bids are slated for four large projects which will probably total around \$45 million.

On Jan. 30 bids will open for a dam on the Brazos river in east central Texas at an estimated construction cost of around \$12 million. On Jan. 29 contractors will bid for the Harlan county rolled earth filled dam on the Republican river in Nebraska, \$15 million. Bidding was accomplished on Jan. 13 for a concrete dam on the Roanoke river, \$12 million. On Jan. 29 the U. S. engineers will take bids for a veterans hospital at Wilmington, Del., estimated cost around \$6 million.

These projects follow similar bids last month for veterans hospitals at Omaha, Ft. Wayne, and Iron Mountain, Mich. That construction will cost about \$16 million.

Typical of the bonding possibilities on these projects is the Harlan County dam. The government calls for a bid bond of not less than 20% of the bid, a performance bond of \$2½ million and a payment bond of \$2½ million. It allows about four years for completion and the penalty is \$1,000 per day.

The only catch in government construction is that funds for the entire job are not always available. Departments working on appropriation by Congress can only allow so much per fiscal year, but most often they are able to replenish their money supply once a project is begun.

More Industrial Construction

A lot of industrial building is expected to begin this year. Many firms had plans as early as 1946 for additional building, new warehouses, etc., but held off when prices skyrocketed between the time of planning and the time estimates came in. Now, however, their need has become desperate and they have been forced to accept the higher costs. Surety men estimate that they bond about 30% of private and commercial construction;

it may be passed before June 30.

In Rhode Island, where neither fire nor casualty law has been enacted, the McCarran office has been informed the matter may be dealt with at a special session of the legislature.

In considering the problem of state administration, the scarcity of trained men to examine rates is pointed to. The insurance departments are gener-

ally reported short-handed and short of funds. Whether the legislators will make sufficient funds available to do a good job in rate regulation remains to be seen. Upon that factor and the manpower scarcity, it is believed, will depend the sufficiency and efficiency of state regulation, in congressional opinion.

but the volume on it in the next few years will be so heavy that 30% will represent a nice amount of business. American industry expects to spend an estimated \$4 billion on new plants and equipment in the first quarter of 1948, two government agencies have reported.

If planned expenditures for the first quarter of 1948 are carried out they will be at an annual rate about twice the amount expended in 1941 and more than 80% higher than in 1929, the two pre-war highs.

Adjusting for the substantial price increase, expenditures during the first quarter would still be at a higher rate than in both those years.

The \$4 billion total is about \$1 billion more than money actually spent by industry in the first quarter of 1947. But it is under the amount laid out for new plants and equipment in the fourth quarter of 1947.

More bonds will turn up from state and municipal construction. There was some disappointment over the slowness of states to begin road construction after the war. Many highways were in need of repair. This work, like that of industry, was delayed but now it is expected to resume its steady flow.

In 1947 there was a fair amount of business from municipal construction projects. Population increases in many cities demanded that housing and transportation facilities be brought up to date. That was begun last year and will continue for several more to come.

Contractors Are Solvent

Another pleasing aspect to bonding men is the fact that large contractors have become more solvent and now operate on a basis designed to keep them so. During the war the practice began of several contractors banding together for large projects. This was called a "joint venture." It is used frequently today. By this means contractors can take on several projects at once without putting all their eggs in one basket.

Big contractors take on as many as eight jobs at the same time on a joint venture basis, and feel that even if two or three of them turn sour they can come out ahead. They stay in business and their surety does not take the loss involved in a bankruptcy proceeding.

One bonding man has remarked that the "golden age of contractors" began about 1932. During that time there was a clearing out of the marginal operators and the larger ones acquired new equipment, good management and useful experience.

Although it is agreed that underwriting is becoming stricter, there is an optimistic feeling among bonding men. Losses last year were "not bad." They are not expected to be bad this year because contractors have become accustomed to take into consideration contingencies that formerly were ignored.

Contract bond rates are low. They are one of the very few lines that has shown no increase, but rather a decrease, in the past several years. Now that volume is taking a definite upward turn, visitors to surety offices are greeted with broad smiles.

ally reported short-handed and short of funds. Whether the legislators will make sufficient funds available to do a good job in rate regulation remains to be seen. Upon that factor and the manpower scarcity, it is believed, will depend the sufficiency and efficiency of state regulation, in congressional opinion.

(CONTINUED ON PAGE 27)

Surety Association Firmly Installed as Rate Making Body

Philip Morehouse, in N. J. Talk, Takes Long Look at the Field

The primary problem in the surety business today is that of making a profit while using the new reduced rates and broader coverages, Philip T. Morehouse of Surety Assn. of America told Surety Underwriters Assn. of New Jersey at its January meeting.

In discussing the merger of Surety Assn. and Towner Rating Bureau he said that by Jan. 1 the association had qualified as the rating organization in all states with rate regulatory laws as well as in those states where regulatory measures have not yet been passed.

A total of \$1,284,000,000 in premiums was received during the 16 year period from 1929 through 1944 on which an underwriting profit of about 7% on fidelity and surety business was realized. The profit was somewhat higher on fidelity and lower on surety.

Problems in Some States

Mr. Morehouse gave a general description of the setup of the association and praised the work of Martin W. Lewis, its head. There are four states which give the association special problems. They are California, Montana, Louisiana, and Virginia. He pointed out that in California the rules prohibit the rating association from making the companies agree to association rates, but that it was difficult for independents to establish their own rates because they have to file figures with the California department in support of them.

During a recent trip to Montana, he found agents worried about their state law. They believe it is discriminatory against agents representing Surety Assn. companies. Mr. Morehouse thinks this situation is similar to that of California and the problems can be worked out. In Louisiana an attempt may be made to have the law changed, as the companies not in the association feel that they are restricted. The situation is not satisfactory in Virginia where rates must be filed with the state corporation commission, similar to public utility rate filing. However, the real problem is posed by those states where there is no law, such as Mississippi, Oklahoma, Rhode Island and West Virginia. The District of Columbia does not have a law now, but it is hoped that it soon will. Texas is considered different by some authorities but in its interpretation of the laws it generally takes action similar to the regulated states.

\$80 Million in Annual Premiums

Fidelity and surety writings have averaged about \$80 million yearly. If the volume remains constant under the new rate reductions the surety people will be content, he said. Approximate fidelity and surety writings in the 16 years beginning 1929 and ending 1944, were, according to Mr. Morehouse, as follows (in millions of dollars): 1929, \$91; 1930, \$93; 1931, \$87; 1932, \$76; 1933, \$65; 1934, \$70; 1935, \$72; 1936, \$75; 1937, \$77; 1938, \$76; 1939, \$80; 1940, \$70; 1941, \$84; 1942, \$93; 1943, \$86; 1944, \$74.

He agreed with some of the underwriters who questioned him that the new manual was complicated and in-

(CONTINUED ON PAGE 27)

A. M. Johnson Dies, Insurance Man of Death Valley Fame

A. M. Johnson, who developed into something of a national legend because of his alliance with Death Valley Scotty, and who died in a Los Angeles hospital at the age of 75, was a prominent insurance figure during the years that he controlled National Life, U. S. A., of Chicago from 1901 until it passed into receivership in 1933.

Mr. Johnson was the son of a wealthy banker of Oberlin, O., and he graduated in civil engineering at Cornell University. As a youth he got into mining ventures in the west and did well, particularly in zinc in the neighborhood of Joplin, Mo. In 1899 he and his father were in a sleeping car on a narrow gauge train in Colorado en route to inspect mining properties. Their train hit a mule, and while it was stopped, a standard gauge train plowed into its rear. Mr. Johnson suffered a broken back and his father was killed.

Mr. Johnson was hospitalized at Salida, Col., for 18 months and it was there that he got acquainted with Death Valley Scotty. Those that were close to

Mr. Johnson say that Scotty represented a fascinating new world of wild west drama to Mr. Johnson, who had been brought up in rather straight laced, conventional fashion by his Quaker parents. At any rate there commenced a remarkable affinity that produced plenty of mystery and color for newspaper readers off and on for nearly 50 years thereafter.

When he was recovering from his accident Scotty entertained Mr. Johnson with fabulous tales and antics and talked him out of a grub stake arrangement.

Goes to Chicago

After leaving the hospital Mr. Johnson decided to pursue a less physically active career than that of mining and he went to Chicago to engage in finance. He had a substantial inheritance in addition to what he had made in mining. He was a skilful trader.

In 1901 he bought control of National Life, U. S. A., which had been dormant and had but \$18 million of insurance in force. He served first as president and later as chairman, confining his attention mainly to the financial end. He invested heavily in bank stocks, perhaps because of his father's interest in banks and also, some said, because he desired to become a bank director.

These investments proved very successful and were a big talking point for

National Life agents. That company was the largest stockholder of Continental Illinois National Bank & Trust Co., and at one time out of \$68 million of assets, \$17 million was in bank stocks. National Life acquired numerous other companies by way of reinsurance and at the peak had about \$285 million insurance in force. Mr. Johnson also organized an A. & H. affiliate, known as U. S. National Life & Casualty and this developed a premium income of about \$4 million. C. H. Boyer was running this company and he and Mr. Johnson finally had a parting of the ways and Mr. Johnson disposed of the company in 1926 to what is now Washington National.

At the same time the Johnson-Death Valley Scotty legend began to take shape. Mr. Johnson built a \$3 million castle in Death Valley, California, and Scotty got the prospectors excited by his much publicized statement that he had a million dollar hole in the ground. There were indications at times that Mr. Johnson wasn't too sure that Scotty didn't have a mine. Scotty spent money lavishly and in spectacular fashion. He hired a special train and made a record breaking run from Chicago to Los Angeles. Actually he was simply a protégé of Mr. Johnson, a hobby that gave Mr. Johnson satisfaction.

Mr. Johnson had other proteges. He was one of the biggest financiers of Billy Sunday. Then he took up with Paul Rader when he was pastor of the Moody church in Chicago and who became known as the "hedge priest." He installed Rader in a first rate house next door to the Johnson mansion on the lake at Devon avenue, Chicago, and gave him excellent backing in other ways.

Might Have Averted Collapse

Some of those who were closest to Mr. Johnson feel sure that if he had attended more closely to business and had not been away so much of the time in California he would have averted the collapse of National Life. There was once a play named "Too Much Johnson" and when National Life failed that title was resurrected by those who said that it was Johnson's bank stock investments that did it. Actually it was the abysmal decline in the market for this disproportionately high block of bank shares that broke the company, but Mr. Johnson's apologists feel certain that he was canny enough that he would have unloaded in time had he been on the job to sniff the financial atmosphere. The failure of National Life apparently didn't flatten out Mr. Johnson financially, as he had numerous other interests.

All illusions about Scotty's wealth were dispelled a few years ago, when in answering a divorce action, he admitted he was penniless. "If he has a gold mine," Mr. Johnson was quoted as saying, "I'm it. I gave him the money because I got a kick out of watching him spend it. Scotty paid me back in laughs for every cent I gave him."

Scotty, it is said, still lives in a cabin near the Johnson castle in Death Valley.

Lindop Heads New York City A. & H. Underwriters Group

NEW YORK—Ralph K. Lindop, Monarch Life, has been elected president of the New York chapter of National Assn. of Accident & Health Underwriters. Other officers are DeWitt Stern, Fireman's Fund Indemnity, vice-president; P. N. Brown, Monarch Life, secretary, and Robert J. Keane, U. S. Life, treasurer.

The group was addressed by George J. Richards, eastern vice-president, and general agent of Monarch Life at Hartford. The next meeting will be in mid-February.

Members of the executive committee are Ivan Yearwood, Federal Life & Casualty; James Wilson, U. S. Life; William L. Kick, Fireman's Fund Indemnity; Milton Schiff and C. G. Chilerstrom, Paul Revere; Carroll Hall, Massachusetts Bonding, and Charles H. Jurgens, Mutual Benefit H. & A.

Chicago Surety Group Tackles Several Questions

Surety Underwriters Assn. of Chicago had an especially well attended meeting Tuesday noon, at which Elmer Anderson of Surety Assn. of America appeared as a guest and answered a number of questions.

Robert Munsell of Ocean Accident, who was the vice-president and automatically ascended to the presidency following the death in an automobile accident of M. J. Scheemeacker of Standard Accident, presided for the first time. He named a committee to prepare a Scheemeacker memorial resolution.

A. A. Korte of W. A. Alexander & Co. reported on the revision of constitution and by-laws. The proposal is to be bulletined to members and voted upon at the next meeting.

There was considerable discussion of the new Illinois law that becomes effective Jan. 15, requiring the care funds of cemeteries to become licensed and to supply a bond. The bond form covers direct loss sustained by care funds through failure to administer properly, occasioned by an act or acts of larceny, embezzlement, burglary, repudiation or otherwise as required under the provisions of the act.

Seek Clarification

A committee is to have a meeting this week with representatives of the state in an effort to get a clarification of the matter. Some of the larger cemeteries that keep separate accounts for care funds have petitioned for a lower rate for the bond. It is reported that the cemetery association has suggested that members do not comply with the law on the ground that it cannot be enforced. What the word "repudiation" means is puzzling to some underwriters. Some of those commenting said they felt that this was more than a fidelity bond in that it guaranteed that the care funds would be applied for the purpose intended. Some members reported that they had been writing some of the smaller bonds, but that applications from the larger cemeteries were still pending due to the fact that the underwriters desired to have more financial data, etc.

Reference was made to the fact that the Illinois state administration demanded that all state public official bonds be on a cumulative liability basis. Surety Assn. of America thereupon promulgated a rate 50% higher than ordinary where a new bond is required each year or where the bond form provides for cumulative liability.

Rate Is Moderate

Mr. Anderson was questioned about this. He said that the Illinois department had asked for a justification of the rate, but that the rate had become effective under the so-called "deemer" provision in the Illinois rate law. Mr. Anderson voiced the belief that this is a modest charge for cumulative liability.

Mr. Anderson was asked what Lloyds is going to do under the Illinois rate law. He replied that so far Lloyds have made no bond rate filings in Illinois, their only filings being of certain miscellaneous classes such as malpractice liability. He emphasized that the rates must be "non-discriminatory" and he expressed the belief that it will be quite a problem for Lloyds to devise a rate filing that will support the practice of charging varying rates at different banks. He observed that where rate filings become effective they are public property, and he suggested that members take occasion to examine such filings when they are in Springfield.

United National Indemnity was admitted to membership. Mr. Munsell called attention to the fact that "American Home" magazine in its January issue has an article of contract bonds for home construction.



HAS LIFE INSURANCE MORE PUBLIC APPEAL THAN FIRE OR CASUALTY?

There are happenings in every community every day spotlighting the value of our stock in trade—yet, how many people know their fire and casualty insurance needs as well as the need for life insurance. Each one of us must be a creator of public interest from which stems sound public opinion so necessary for the preservation of this business.

THE YORKSHIRE
INSURANCE CO. LTD.

SEA BOARD
FIRE & MARINE AND THE

YORKSHIRE
INDEMNITY CO. OF N.Y.

90 JOHN STREET ---- NEW YORK CITY

Maryland New Robber

NEW branch of Carrollton, Friday morning who escaped. The robber entering the assistant manager's vault. Four hours were \$65,628 of are still on \$50,000 still protected in Maryland Rogers &

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Maryland Cas. Has New Orleans Bank Robbery Loss

NEW ORLEANS—The mid city branch of Hibernia National Bank at Carrollton and Canal was held up last Friday morning by five armed robbers who escaped with with \$114,699 in cash. The robbery occurred as employees were entering the bank to start work, the assistant manager being forced to open the vault.

Four hours later three of the five robbers were arrested by city police and \$65,628 of the loot was recovered. Two are still on the loose with approximately \$50,000 still missing. The bank is fully protected under a bankers blanket bond in Maryland casualty written by Black, Rogers & Co.

Mass. Legislative Mills Now Start Grinding

The insurance committee of the Massachusetts legislature commenced hearings Monday on a variety of measures, one bill getting attention to make liability insurance compulsory for airplanes, and another to admit Calvert Fire to Massachusetts. Others include the perennial flat rate bills for compulsory automobile insurance and a state fund proposal for automobile insurance to be financed by an additional \$10 a year registration fee plus a 2 cents a gallon gasoline tax.

Assn. of Casualty & Surety Companies has now become reaffiliated with Insurance Federation of Massachusetts which means that stock casualty interest will present a united front in the state. The association last year withdrew its support from the federation when the federation threw its influence behind the domestic companies and agents in support of the rating bill that was finally enacted rather than the all-industry bill which the casualty companies' association desired.

The committee considered a bill to include the word "reasonable" as affecting expenses under medical clauses in accident benefit policies, to protect the companies against unreasonable charges for medical, hospital or funeral charges. The measure was favored by representatives of Liberty Mutual, American Mutual Alliance and American Mutual Liability. Commissioner Harrington, while not opposing, felt that some other change might be made whereby companies could deal direct with hospitals, doctors, etc. The measure was opposed by Insurance Federation as likely to arouse controversy.

Another bill that was discussed is one to give claimants against insurance companies 90 days to file an amended claim when they sign a release without being represented by counsel. The opposition brought out that the bill would compel all claimants to run to attorneys and that companies would invariably refuse to settle claims until after the 90 day period.

Coverage Voided Due to Fraud in Application

Car & General has been upheld by New Hampshire supreme court in seeking to avoid the extra territorial coverage under a Massachusetts auto B.I. policy, following an accident in New Hampshire on the ground that the policy was procured by fraud, it having been represented that the car was owned by one Kee, whereas it was actually the property of Kee's minor son, Gordon Kee. The case was McCracken, etc. vs. Car & General et al.

In 1941 with the permission of Gordon Kee, McCracken, a minor, was driving the car in New Hampshire when an accident occurred. The injured persons sued McCracken, and Car & General disclaimed coverage on the ground of false representation as to the owner-

ship of the car made by Kee in applying for the policy. The lower court held that by reason of the fraud, the policy is void and that Car & General was not bound to defend the actions against McCracken or to pay any damages resulting from the accident.

The argument was made that the failure of Car & General to tender a return of a proportionate part of the premium that represented extra-territorial protection (coverage in Massachusetts under the compulsory insurance

law of that state, apparently would have been absolute) estopped it to deny liability. This argument, however, the court discarded, saying that to the extent that retention alone is deemed a waiver, the rule is limited to situations where knowledge was obtained before the loss, but the premium was retained until the loss occurred and avoidance sought thereafter.

W. N. Markam, district manager of Liberty Mutual, is addressing a meeting

Jan. 21 of the St. Joseph district of insured members conference of Associated Industries of Missouri on workmen's compensation insurance.

Junior Surety Assn. Elects

SAN FRANCISCO — New officers of the Junior Surety Assn. of Northern California are: President, Earl W. Bettis, Massachusetts Bonding; vice-president, A. P. Merrill, Fidelity & Deposit; secretary, A. T. McGarry, Hartford Accident.



When is a Home Not a Home?

WITH furnishings it's a home. Without furnishings it's only a house. And the most modern house would be very uncomfortable to live in if it were completely empty.

That's why it's so shortsighted to insure a house against fire and neglect its contents. In some cases the contents nearly equal the house in value. And scarcely a month passes in the average household without some new possession . . .

clothes, books, furnishings, etc. . . being added.

Point out these facts to your clients and prospects. Urge them to make an inventory of their possessions—chances are, they'll be amazed at how much it would cost to replace those possessions in event of fire. Remember, nearly everyone—homeowner or apartment dweller—is a prospect for contents fire insurance. So start now to get your share of

this business! It's a real opportunity for extra sales.

P. S. Fire Prevention work as a public service is important these days. The alert insurance man is the logical man to talk Fire Prevention to his clients, civic clubs, Chamber of Commerce and friends. You can help reduce the fire waste in your community, but what is more important you will save lives, too. "Safety begins at home." Write for our Fire Prevention material.



F. & G. FIDELITY & GUARANTY INSURANCE CORPORATION

Member: National Board of Fire Underwriters

Affiliated with UNITED STATES FIDELITY AND GUARANTY COMPANY
HOME OFFICES: BALTIMORE 3, MARYLAND



Remember . . . in the time it has taken you to read this advertisement . . . approximately 1½ minutes . . . a fire of known cause has been reported somewhere in the United States.



It's just as risky to be HALF-COVERED against power-equipment failure

Most owners of small and medium factories, laundries, hotels and dairies carry boiler insurance. Newspaper headlines on boiler explosions have warned them. But an accident to an engine, a compressor or an electrical unit in their place of business can also cost thousands in property damage—to say nothing of the loss from business interruptions.

You can do these individuals and firms a genuine service by

suggesting complete boiler and power-machinery insurance—plus inspections by specialists. The Special Agent of Hartford Steam Boiler has the required knowledge and experience to aid you in selling and servicing this added protection. Have him help you organize a sales campaign. Here is a real opportunity for you to widen the service and growth of your agency.



The Hartford Steam Boiler Inspection and Insurance Company
HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

ACCIDENT AND HEALTH

Mass. Blue Cross to Make Big Benefit Reduction

Massachusetts Blue Cross last week issued a proposal to reduce coverage drastically by setting fixed allowances for room and board charges instead of continuing to pay the full bill, and by slashing x-ray payments 50%. Another reduction may yet be required.

Under the current plan, Blue Cross pays for semi-private hospital rooms fully for 120 days. The new proposal calls for 30 days hospitalization at full benefit and 90 days at half.

No rate increase is anticipated, according to R. F. Cahalane, executive director.

Mr. Cahalane stated the plan will be submitted to participating hospitals for approval. Last spring the Massachusetts Assn. of Private Hospitals protested existing rates as unfair.

Great Curtailment

Last year Massachusetts Blue Cross was under fire and dipped into its reserves for nearly \$2 million. Subsequently, it cut its operating cost from 15 to 6 cents per dollar and reduced its staff by about 400 persons. It was admitted at the time that there had been "bad management" in the organization's affairs.

Under the new plan existing benefits such as operating room, laboratory examinations, drugs, and some tests would continue to be paid in full. The amount allowed for room and board will be announced later, but will be "the maximum that Blue Cross can sustain under its present income."

Mr. Cahalane said the reduction is necessary because of inflation which has increased hospital payrolls almost 30% in the last year. Also, since last June, when a rate increase was allowed, hospitals have lost substantially on Blue Cross members.

Should the hospitals agree with the proposal, it will be submitted to the insurance department and the welfare department for final sanction.

Four Changes Made by Washington National

Four appointments have been made by Washington National.

John H. Greene has been named general agent in Little Rock.

Paul M. Seeley has been appointed general agent at Fort Dodge, Ia. Mr. Seeley takes over the agency formerly handled by Howard E. Nevenon, now general agent at Los Angeles.

Mark A. Summey has been named general agent in Des Moines, effective Feb. 1. Mr. Summey will operate the agency formerly managed by LeRoy W. Secor, who will continue to represent the company through the Des Moines agency.

Mr. Summey formerly was agency supervisor at Davenport for Mutual Benefit H. & A.

Larry W. Linder has been transferred to Los Angeles to do special work throughout the state.

Mr. Linder previously served as state supervisor in Minnesota.

Treats A. & H. Eye Problems

The Home Office Underwriters Round Table of Chicago will meet for dinner Jan. 22 at the Bismarck hotel to hear Dr. J. E. Boland, medical director of Great Northern Life, talk on "Diseases of the Eyes and the Problems They Present in Underwriting Accident and Health Insurance." E. J. Rogers, Great Northern, is chairman.

Hawley to Chief Executive Post of Blue Cross

Dr. Paul R. Hawley, who reorganized and developed the medical-hospital program of veterans administration under Gen. Omar Bradley, has been named chief executive officer of the national organization of Blue Cross and Blue Shield medical-surgical plans.

Announcement of Dr. Hawley's appointment was made at Boston at a dinner in his honor by R. F. Cahalane, chairman of Blue Cross Commission, and Dr. L. Howard Schriver, Cincinnati, president of Blue Shield Commission. Dr. Hawley, who resigned as chief medical director of VA Dec. 31, will assume his new duties April 1 in Chicago.

Provident L. & A. Names McNeill Mass. State Agent

Provident Life & Accident has entered Massachusetts and appointed Clinton W. McNeill state agent, representing all departments.

The McNeill agency will have headquarters at 78 Milk street, Boston. Mr. McNeill has been with Union Mutual Life. He began his insurance career in Boston in 1931 as a special agent for Massachusetts Accident, of which his father was president, subsequently becoming superintendent of agencies. When it was reinsured by the Union Mutual in 1940, Mr. McNeill joined the

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**NATIONAL SURETY
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latter company as superintendent of agencies of its accident department. Shortly thereafter, he was named a vice-president.

Entry into Massachusetts brings to 38 the number of states in which Provident L. & A. operates.

Accident-Health Premiums in '47 Above \$800 Million

Premium income for accident and health insurance will be in excess of \$800 million for 1947, showing an increase of from 15 to 18% over the 1946 total premium volume, according to Harold R. Gordon, managing director of Health & Accident Underwriters Conference.

This total accident and health premium income represents all classes of accident and health coverage, including group and individual policies, but does not include Blue Cross or medical service plan premiums.

Loss ratios on individual policy forms have increased, while group loss ratios decreased.

Scholefield Vice-President of North American L. & C.

J. E. Scholefield, who joined North American Life & Casualty a year ago as director of agencies, has been elected vice-president in charge of agencies. He is well known in the life field because of his long connection with L.I.A.M.A. and is now chairman of the agency management committee of Health & Accident Underwriters Conference.

H. C. Dunkley was named actuary and I. W. Kimmerle, personnel manager since 1946, was appointed assistant vice-president. J. Rod Springob, assistant director of agencies, was elected second vice-president to head agency operations on the west coast.

C. P. Palm, advertising manager, was elected a vice-president in charge of advertising and public relations. W. E. Sather, head of premium accounting, was named auditor.

President H. P. Skoglund announces the new home office building will be ready for occupancy in February.

Carlson Succeeds Gray with Loyal Protective

BOSTON—James P. Gray has retired after 38 years of service with Loyal Protective and is succeeded by C. A. Carlson as field secretary. Mr. Carlson joined the company in 1941 and has spent the last 18 months working in close contact with Mr. Gray. Mr. Gray's 70th birthday was celebrated at a party at which he was presented a gold wrist watch from his friends in the company. The testimonial production in his honor resulted in one of the biggest months the company has ever had.

Garrity Supervises A. & H.

Ralph C. Garrity has been named superintendent of the personal accident department of the western department of Hartford Accident at Chicago. He has been special agent for the department in the midwest where he has established a good record in sales and education. He is an alumnus of Arizona University and DePaul University, and in his new capacity he will supervise the underwriting of accident and health. He started his career as an underwriter in the department.



R. C. Garrity

No 1948 A. & H. Week

The question of reviving Accident & Health Insurance Week, which was discontinued a number of years ago, has

been the subject of much discussion since it was proposed by Clyde W. Young, Monarch Life, chairman of the public relations committee of Health & Accident Underwriters Conference, but now has been decided in the negative, so far as 1948 is concerned. Mr. Young's idea was that it should be conducted as a public relations effort, rather than with emphasis on the sales side, as in former years.

The matter was taken up by the disability insurance joint committee, which represents both the companies and the field force, and was referred to a sub-committee, which has decided that it is

not practicable to try to promote such a program this year.

New A. & H. Contract

Reserve of Chicago at an open house for brokers in much larger quarters to which it had just moved in the Field building announced a new weekly income accident, health and hospitalization contract. It is non-classified as to occupation, covering 24 hours a day, on and off the job, and with no reduction in benefits because of change of occupation.

It pays up to 26 weeks from first

day for total or partial disability from injury, and from first doctor's visit for total or partial sickness disability, with 30 days elimination period. Ages eligible are 16-60 inclusive but housewives, unemployed women and students are eligible for only \$10 weekly indemnity.

There is \$1,000 principal sum; specific losses for legs, hands or eyes; pays for physicians and surgeons fees for non-disabling injuries. Weekly indemnity is increased 25% after five consecutive years without claims; but after age 59 weekly indemnity decreases. Weekly indemnity ranges from \$10 to \$35, accidental death benefit from \$500 to \$1,000.

"Unforeseen events . . . need not change and shape the course of man's affairs"



By thus dramatizing the benefits of The Maryland's safety engineering service, this advertisement helps open even more doors to Maryland agents and brokers.

ON THE PROWL

LIKE A WILD BEAST on the prowl . . . unsuspected danger lurks on today's industrial production lines, menacing millions of workers every hour.

To end such on-the-job risks to life and limb, to health, The Maryland's *safety engineering* service helps find, and eliminate, these danger spots.

You get this service as a Maryland policyholder. Your plant gets regular and thorough inspection of working conditions and all equipment. And, of vast importance, your personnel get a continuing program of *education* for safety . . . to offset the human tendency to be careless,

to take a chance that might prove tragic.

This program has saved thousands of lives and prevented countless cases of mutilation or serious illness. And while its benefits to workers are obvious . . . you, the employer, also benefit greatly. You benefit in time and manpower saved. In uninterrupted production. In improved employee morale. In reduced insurance premiums.

The man to see for this service is your Maryland agent, or your broker. *Remember: Because your Maryland agent knows his business, it's good business for you to know him.*

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN LEADING NATIONAL MAGAZINES

A special hospital and medical expense indemnity feature with \$300 limit is optional.

Meet at Omaha Oct. 4-6

The Builders Club convention of Mutual Benefit Health & Accident and United Benefit Life will be held at Omaha, Oct. 4-6.

Conference Mid-Year Setup

The midwinter meeting of Health & Accident Underwriters Conference Feb. 3-5 at La Salle hotel, Chicago, will be entirely on a discussion basis. There will be no formal addresses or reports and no entertainment, luncheons or dinners have been planned.

The opening day there will be "open forum" sessions both morning and afternoon, consisting of informal reports, discussion of problems companies face with insurance departments, legislation and miscellaneous topics. Another similar session will be held the morning of the second day, followed by a review of the work of Insurance Economics Society by E. H. O'Connor, managing director. That afternoon there will be an underwriting session.

The morning of the third day will be devoted to group and franchise sessions

and the afternoon to hospital and medical insurance sessions.

Even Score on Conn. Plan

The Hartford (Conn.) County Medical Society has rejected the prepaid surgical and obstetrical insurance plan of the Connecticut Medical Society, bringing the box score even up at two and two of the eight counties voting.

N. Y. Assn. Reelects Officers

Assn. of New York State Mutual Casualty Companies at their annual meeting last week at New York re-elected Howard G. King president; M. J. Murphy, general manager, and Emma C. Maycrink, secretary-treasurer. Robert I. Bloch, president Empire Mutual Casualty, was elected vice-president.

Rules on Excess Cover

Commissioner Malone of Pennsylvania has issued a ruling that, under the new rating act an excess policy written for a self insurer must contain a warranty that the insured shall carry the first \$10,000 of the loss for his own account and without benefit of other insurance for such retention during the entire term of the excess policy or bond.



Teamwork That Wins

The smooth, coordinated plays of winning basketball quintets depend upon teamwork every minute of the game. Teamwork moves the ball down court for that important shot at the basket. Teamwork wins games. The Hawkeye-Security Agents are part of a smoothly operating team, too. The team work of Underwriting, Claims, and other departments helps Agents build their sales. Those are just some of the reasons many leading Agents say . . . "Hawkeye-Security is a good team to be on."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

DES MOINES 7, IOWA

CHANGES IN CASUALTY FIELD

Sturgeon Aetna Indianapolis Head; Griswold Retires

Robbins C. Griswold, Indianapolis manager of Aetna Casualty, has retired after nearly 49 years of service with the organization.

Mr. Griswold is succeeded by Irwin W. Sturgeon, who has been associate manager at Indianapolis for the past several years.

A native of Hartford, Mr. Griswold joined Aetna in 1899. He was transferred to Indianapolis as cashier in 1908. He was later appointed assistant manager and in 1922 was named manager.

He is a former president of Indiana Insurance Federation. He is a director of Indianapolis Athletic Club.

Mr. Sturgeon was born at Cohoes, N. Y., and attended Butler University. He entered life insurance in Indianapolis and later transferred to a bonding company. After serving in the army during the first war, he joined Aetna in 1919 as a special agent. He was subsequently promoted to chief underwriter and was named assistant manager in 1930. He was promoted to associate manager in 1941.

Mr. Sturgeon is a former president of Casualty & Surety Managers and a member of the legislative committee of Assn. of Casualty & Surety Companies.

Mitchell Named Aero Manager at Chicago

J. J. Mitchell has been named manager of the Chicago branch of Aero Underwriters to succeed G. D. Holcomb, who has resigned to join Stewart, Smith, Lloyds brokers, at Chicago. Mr. Mitchell will have charge of the Chicago activities. J. B. Guinotte is western regional manager of Aero.

Mr. Mitchell is a graduate of Illinois Institute of Technology. He has had eight years of casualty underwriting experience and was for two years with a general agency in Chicago. He joined Aero in 1942 as an underwriter, subsequently becoming claim superintendent, office manager and assistant manager. He is a licensed commercial instructor pilot and has been a pilot since 1931.

Traders & General Names Homan Denver Manager

Howard Homan has been made manager of the Rocky Mountain district office at Denver of Traders & General of Dallas. Mr. Homan, who was formerly staff adjuster at Denver, is succeeded by William M. Thatcher, for-

merly superintendent of claims for U.S.F. & G. for three years and adjuster for the Rock Island railroad.

Narge Beattie, who Mr. Homan succeeds as manager, has been transferred to the San Francisco office of Traders & General.

Hunt Elected Treasurer of American Surety

A. H. Hunt, Jr., has been elected treasurer of American Surety group to succeed William Guetz, retired.

Mr. Hunt joined American Surety in 1940 in charge of the securities investment division. He was elected assistant treasurer in 1941, assistant vice-president in 1944, and vice-president in 1945.

Industrial Indemnity Shifts

Executive changes have been made involving the home office and the Los Angeles and Sacramento divisions by Industrial Indemnity.

J. G. Shields, Jr., has been named in charge of the research and audit department, and M. R. Cox, formerly assistant manager at Sacramento, has gone to the home office to take charge of the internal audit function.

Replacing Mr. Cox, E. B. Pantan has been transferred from Los Angeles to Sacramento as assistant manager. R. O. Dunn, underwriter at Los Angeles, has been made underwriting manager.

Home office production, a new staff function, has been created under direction of E. A. Matthiessen, vice-president. The function will include home office coordination of production on compensation and unemployment disability insurance, and will be carried on by S. E. Hodapp.

E. R. Meyrer to Century

NEW YORK—Edward R. Meyrer has been appointed manager of the burglary and plate glass department of Century Indemnity here. He succeeds Victor R. Sinnott, who transferred to Preferred Accident as assistant secretary.

Mr. Meyrer at one time was with Continental Casualty at New York and lately has been at Reading with American Casualty.

Opens Tucson Claim Office

U. S. F. & G. has opened a claim office at Tucson, Ariz., with Logan C. Gipe as manager. The new office is under the jurisdiction of the southern California branch at Los Angeles.

State Farm Names Todd

The State Farm companies have designated Paul Todd district manager for the Illinois counties of Adams, Pike, Brown and Schuyler. He has opened an office in the Illinois National Bank

OPPORTUNITY for FIELD MANAGER

A foremost mid-western stock casualty company has an outstanding opening for experienced man in Central Illinois. Territory has well established agency plant, and offers outstanding opportunity for development and assured future. Address O-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

building, Quincy. Mr. Todd has been multiple line producer for State Farm since 1944. After graduating in agricultural economics at the University of Illinois in 1941, he joined Farm Security Administration as field supervisor of western Illinois.

Larson Made Asst. Secretary

Leonard W. Larson has been appointed assistant secretary of Lumbermen's Mutual Casualty. Mr. Larson, after joining the Kemper companies in 1937, and except for a three-year military leave of absence, has served in sales, administrative and executive capacities. He was discharged from the air corps as a major.

Lewis and Walwyn Named

Trevor R. Lewis and Douglas E. Walwyn have been appointed special agents by Hartford Accident with headquarters in Portland, Ore., to assist Norman Knowlton in handling business in that state.

Mr. Lewis has been active in the San Francisco area in surety and fidelity. Mr. Walwyn joined the company in Portland after 39 months in the army, leaving the service with the rank of captain.

Hawkins Newark Manager

Ralph W. Hawkins has been promoted to resident manager at Newark or New Amsterdam Casualty, succeeding William T. Haynes, who is retiring. Mr. Hawkins has been head of the fidelity and surety underwriting department of the office.

ASSOCIATIONS

Ray C. Holt New Head of Wash. State Casualty Body

Ray C. Holt, Massachusetts Bonding manager, was elected president of Casualty Insurance Assn. of Washington at the annual meeting at Seattle. He succeeds Kenneth F. Warrack, American Surety. William T. Shiels, Jr., Travelers, is the new vice-president and Robert Bourke secretary-treasurer. On the executive committee are George W. Bourke and John C. McCollister, general agents; Howard Esplund, London & Lancashire Indemnity and James McKay, Fireman's Fund Indemnity.

Milwaukee Annual Meeting

MILWAUKEE — The annual meeting of Milwaukee County Board of Casualty & Surety Underwriters is being held Thursday. Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents, will discuss the new Wisconsin rating laws, commission changes and related subjects.

Raber Heads Claim Council

Marshall A. Raber, Travelers, has been elected president of Casualty Insurance Claims Managers' Council of Indianapolis. He is a past president of Indiana Casualty Adjusters Assn. Paul E. Stubbs is vice-president of the council and L. E. Shedd, secretary.

Seeböhm Cincinnati Head

CINCINNATI—New officers of Cincinnati Claims Assn. are W. F. Seeböhm, Trinity Universal, president; Vincent Mercurio, American Casualty, vice-president, and N. H. Jarman, Travelers, secretary.

Frederic Miller of Des Moines, former Iowa supreme court justice, spoke before the Des Moines Casualty & Surety Club on the United Nations.

Insurance Women of Toledo at a dinner meeting heard T. A. Eggleston, bond superintendent at Detroit for Aetna Casualty, speak on "Safety to Business Through Fidelity Coverage."

Uphold Voiding of D. I. Award in Frozen-Feet Case

The Missouri supreme court, in Callahan vs. Connecticut General Life, upheld the trial court's action in granting a new trial after the plaintiff beneficiary had won a double indemnity verdict. The insured, while intoxicated, remained in his car near a busy highway and within a few hundred yards of a community where assistance was readily available. He went to sleep, his feet froze, and tetanus set in, which resulted in his

death. The insurer contended that the insured's acts amounted to more than mere negligence but were willful and voluntary; that his death was the logical result of his acts and was not caused by accidental means.

The supreme court held that the trial court erred in instructing the jury that the insured's negligence, carelessness, use of poor judgment, and his intoxication would not constitute any defense or prevent his death from being held accidental and that the instructions minimized these factual matters in the jury's eyes and should not have been given.

Hartford Premiums Up 35% in 1947

Premium volume of Hartford Accident in 1947 showed a gain of 35% over 1946. Total for last year was \$90,454,773, the largest in history.

By lines, premiums were: Accident and health, \$1,856,576; automobile, \$39,076,449; general liability, \$13,446,615; compensation, \$25,345,239; burglary and theft, \$4,242,175; glass \$957,201, and fidelity and surety, \$5,530,518.

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CASUALTY PERSONALS

Robert D. Hodson has taken up his duties as superintendent of the casualty sales division at the head office of Zurich. He is in charge of all sales promotion work including the safety zone program. His appointment marks the establishment of a new division for coordinating the sales promotion activities in all branch offices. Mr. Hodson had been superintendent of agents for Aetna Casualty

R. D. Hodson

at Detroit and prior to that was agency supervisor in Cook county and special representative in Illinois and Indiana for that company. He entered insurance with Travelers in 1925.

Tom S. Kelly, 82, dean of Omaha insurance men retired Jan. 7. He had been unable for a year to take an active role in the Kelly & Christenson agency of Travelers. H. A. Christenson has been manager of the agency. Mr.

Kelly had been with Travelers 53 years. He and Mrs. Kelly left for California to spend several months but will keep their home at Ralston, Omaha suburb.

Homer H. Minnick, Kansas manager of Central Surety at Wichita, has recuperated from a major operation and is now back at his office.

The engagement is announced of Mary Wickersham Williams, daughter of Mr. and Mrs. **Wheaton A. Williams**, to George B. Parsons of Minneapolis. Mr. Williams is president of National Assn. of Surety and Casualty Agents and is executive vice president of the Fred L. Gray Co. of Minneapolis.

DEATHS

Louis H. Steerman, 49, manager of Washington National at Harrisburg, Pa., died at a hospital there.

Louis B. Kerr, 48, safety engineer of Hardware Mutual was killed in an automobile accident while en route from Sandwich, Ill., to Detroit, where he had been transferred.

Malone Asks Keystone Prosecutions Be Pressed

HARRISBURG, PA.—Commissioner Malone has announced his intention of again pressing for criminal prosecution in Allegheny county (Pittsburgh) of three former officers of defunct Keystone Mutual Casualty.

He will confer shortly with Allegheny county's new district attorney, W. S. Rahauser, and ask that the case be presented to the grand jury.

The officials involved are A. J. O'Leary, vice-president; N. P. Kann, secretary, and E. J. Kann, treasurer. All officers resigned on the eve of a state justice department hearing which resulted in a court petition directing the insurance department to start liquidation proceedings.

The former district attorney, Mr. Malone said, had the case ready for the November grand jury, but was swept out of office in the November election and did not start prosecution at that time because of being unable to follow through.

Malone accused the trio of filing a false statement with the department. He said the officers reported a surplus of more than \$1 million but his examiners found a deficit of \$1,590,000.

Keene to Educational Post for Ohio Farm Bureau

Samuel E. Keene has been promoted to director of claim training and education for Farm Bureau Mutual Automobile, Farm Bureau Life and Farm Bureau Fire. Mr. Keene will devise training programs in conjunction with keeping claim men in the field informed of court decisions, changes in policies and latest insurance developments.

Mr. Keene is a graduate of Ohio State University. He started with the Farm Bureau companies in 1941, and was named Virginia state claim manager in 1944. Since 1946 he has been in charge of auto claims for Virginia and North and South Carolina in the home office.

Exits in Cal. Plan

The California assigned risk plan, a modification of the one that has been in effect in that state, that becomes effective Jan. 19, offers the companies several more opportunities to turn down a risk than the plans of other states. Among the bases on which companies can decline to assume a risk assigned are habitual drinking to excess by anyone who customarily drives a car, driving of car by one under 18 years of age, and defective mechanical condition. Some who have been close to the operation of the assigned risk plans think too many loopholes are available for a company to exit on a risk it does not want. This was one of the weaknesses of the early plans that were tried: they provided too many routes of escape.

Independents Move

National Assn. of Independent Insurers has moved its offices from the 10th floor of the Chicago Title & Trust building, Chicago, to larger quarters on the 11th floor. The new telephone number is Andover 6040.

The rapid growth in membership necessitated expansion of office space. Membership of the N.A.I.I. is now comprised of 78 member fire and casualty insurers and 12 subscribers. Included in the membership are 34 stock, 32 mutual, 10 reciprocals and 2 Lloyds.

Braun Engineering Head

A. O. Jackson, supervising engineer at New York for the Aetna Life companies, is retiring after 26 years of service and has been succeeded by John E. Braun, assistant supervising engineer.

Mr. Braun graduated from Drexel Institute and joined Aetna in 1936 at Philadelphia. He was transferred to New York in 1946.

Reserve Hires Paraplegic GI as Claims Chief

Reserve of Chicago has employed Guilford Moss, a paraplegic war veteran, as claims attorney in charge of the claim department. He has a wife and young son to support but must remain in the Hines veterans hospital near Chicago for treatments in the hope he may regain use of his legs.

Mr. Moss was in naval service and shortly after inactivation suffered infection of his spine which left him paralyzed below the waist. Before entering service he was connected with Lumbermen's Mutual Casualty and Hartford Accident in Chicago, and Clarence Heyl, independent adjuster of Peoria.

The citizens of Mendota, Ill., his home town, subscribed for a specially designed car which was presented to him. He travels in a wheel chair and manipulates the car solely with his hands. Mr. Moss drives from Hines hospital to the "loop" of Chicago daily in his car. The management of the Field building in which Reserve is located has made special arrangements for him so elevator and other services are expedited.

Stumpf Chicago Speaker

Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., second vice-president National Assn. of Accident & Health Underwriters who made a big hit with the talks he gave on his eastern swing in company with President Knight of the National association, will address the Chicago A. & H. Assn. at its luncheon meeting next Tuesday, Jan. 20, at La Salle Hotel.

W. W. Clement, executive vice-president of National Assn. of Insurance brokers, will speak at the Jan. 19 meeting of Insurance Buyers of Pittsburgh.



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Indict N. in \$69,000

NEW YORK—A brokerage firm Co. of New York indicted a margin clerk for a sale of an original, gaged in a grain future with \$6,600, \$300,000.

In 1945, assistant director of both men, Kaden made to conceal Kaden's a hopeless superior. dated with to the district annual salary small gratuity his part in Royal Income on the Dup

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Indict N. Y. Margin Clerk in \$69,000 Loss

NEW YORK — A \$69,000 loss in the brokerage firm of Francis I. Dupont & Co. of New York was disclosed with the indictment of R. J. Kadien, commodity margin clerk, and two bottling company salesmen. One of the salesmen on an original investment of \$35,000 engaged in trading of almost \$1 million in grain futures while the other started with \$6,600 and made deals totaling \$300,000.

In 1945 and 1946, according to the assistant district attorney, the accounts of both men were short of cash and Kadien made false entries in the books to conceal the fact. In May, 1946, Kadien concluded both accounts were in a hopeless condition and went to his superiors. The accounts were liquidated with a loss of \$69,160. According to the district attorney, Kadien, whose annual salary was \$3,600, received only small gratuities from time to time for his part in the deal.

Royal Indemnity has the brokers bond on the Dupont company.

Start Mich. Bond Survey

LANSING, MICH.—The bond survey being undertaken in Michigan was commended by Peter A. Zimmerman and Elmer C. Anderson, representing Surety Assn. of America, which will supervise the study.

"This step is in line with modern business methods of securing adequate and proper bonding protection," Mr. Zimmerman said. Mr. Anderson added that this is one of the few times in the history of the association when it has been called upon to make such a survey for a state government and it is happy to cooperate.

The association representatives launched their survey by conferring with D. Hale Brake, state treasurer; Fred M. Alger, Jr., secretary of state, and Murl K. Aten, auditor general. They said it appeared the state's budget department had prepared an excellent groundwork for the survey.

Texas Expansion Planned

At a meeting of the executive committee of Texas Assn. of Accident & Health Underwriters at San Antonio specific plans for setting up three new local associations were adopted.

The threat of mass selling was presented by Matthew Brown, General American Life. A. D. Anderson, Occidental Life, pointed out, however, that mass group accident and health coverage is not forbidden by Texas laws.

It was decided to formulate a letter to be sent to all life underwriters associations inviting their cooperation.

Corroon & Reynolds Rallies

Field men of Corroon & Reynolds companies from the western department will make their annual pilgrimage to New York the week of Jan. 19. Field men from the east and southern departments will be there to confer with executives and department heads the week of Jan. 26.

Claim Men Hear Latchem

Wichita Claim Men's Assn. at its January meeting had Clyde Latchem, state fire marshal, as guest speaker. Robert Gray, Sedgewick county sheriff, also was a guest.

Discuss New Cal. Laws

LOS ANGELES — Casualty Insurance Assn. of Southern California heard Rollo R. Fay, Coast manager of National Bureau of Casualty Underwriters, discuss the problems involved in the new rate regulatory law, financial responsibility law and assigned risk plan.

Embezzlements Reviewed

Several of the more than 1,000 embezzlement cases he has investigated during his 20-year career in the fidelity field were described by Val White, head

of the fidelity and aviation division of Employers Mutuals, at a Rotary luncheon meeting at Wausau, Wis.

"We have found that three conditions exist in every embezzlement case," he said. "They are: The employee is trusted by the employer; supervision of the employee is lax; and there is a source of pressure for money which is usually the result of hard liquor, slow horses, fast women or a sick wife."

Long Beach Bonds to F. & D.

Long Beach Harbor Commission has awarded a contract, dredging and hydraulic filling to Guy F. Atkinson Co. and Franks Dredging Co., both of San Francisco, at their bid of \$436,914 and most of other work to United Construction Co. of Chicago at its bid of \$2,261,056. Fidelity & Deposit will execute the bonds, the Atkinson and Franks portion being written through the San Francisco office and the United portion through Conkling, Price & Webb, Chicago.

Shifts Cal. Payroll Audits

LOS ANGELES—Henry Heinz, test auditor for the industrial accident commission, has completed arrangements for the commission to take over the auditing of payrolls for workmen's compen-

sation insurance, previously done by investigators of the insurance department. When the office is functioning there will be three auditors attached to the Los Angeles office, and the same number at San Francisco.

Discuss Farm Bureau Plans

LINCOLN NEB.—Farm Bureau leaders from 21 southeast counties of Nebraska met here to perfect automobile insurance plans. Speakers were Charles Marshall of Elmwood, president Nebraska Farm Bureau Federation; Orville Thrush, Manhattan, Kan., prospective manager of the new farm bureau insurer; R. D. Flaherty, state farm bureau secretary, and John Pickrill, Unadilla insurance committee member.

Dispensers in 52 Cities

Associated Aviation has installed machine aviation accident policy dispensers in 52 cities and plans only a small additional expansion of the installations. A Civil Aeronautics Authority report shows that 60 cities provide 85% of the aviation passenger volume in the country.

B. J. Johnson has been named adjuster to handle claims in Oklahoma for United National Indemnity.

'47 Premiums \$6 Million for Coal Operators Cas.

Coal Operators Casualty reports that its 1947 premiums exceeded \$6 million. A little less than \$3 million of this came from workmen's compensation for coal mines and a little more than \$3 million in compensation and public liability on commercial risks. Almost 70% of the total business has been written on an installment basis whereby the premium is earned as it is paid, obviating the necessity for high premium reserves.

To Bond All School Clerks

RICHMOND—Under a Virginia law, all school board clerks must be bonded for a minimum of \$5,000.

R. B. Cousins, Jr., manager of Texas Automobile Insurance Service Office and Texas Insurance Checking Office, a former Texas commissioner, has been named a member of the state board of education by Governor Jester.

The Burnell agency and the insurance department of the R. M. Mayerstein Co., Lafayette, Ind., have been consolidated to form the new firm of Mayerstein-Burnell Co. R. M. Mayerstein is president and G. W. Burnell, Jr., secretary.

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Five Insurers Get Go Ahead in R. I.

The health insurance committee of Rhode Island Medical Society has approved the policies of five companies that are to be sold under the society's surgical insurance program, and expects to view the contracts of two other large companies within the next week. The policies approved will be placed on sale soon with the seal of acceptance of the society, thus providing for the subscriber within the eligible income group complete coverage for surgical operations.

The society has enrolled 543 members, to serve as participating physicians, including 90% of all the physicians in the state who have been qualified by American College of Surgeons for surgery, or who have attained the rank of visiting surgeon on the staff of one of the hospitals in the state.

Contracts approved by the committee are those of Equitable Society, Connecticut General Life, Washington National, Travelers and John Hancock Mutual. Within the next week the policies from Aetna Life and Liberty Mutual are expected for review.

The response to the proposal of the local state medical society has been excellent. The committee recognized that at this time of year most of the companies are engaged in completing annual reports, and the work of issuing a new

policy offers a serious administration problem. Metropolitan Life, for example, has notified the committee that due to present pressure of other work incident to the necessity of preparing an entirely new series of life policies for use after the first of this month, it has been impossible for them to prepare the special policy for the Rhode Island plan. However, the company has given assurance that it will start work on such forms as soon as possible.

Among other companies that have indicated interest in participating in the program later are Combined Mutual Casualty, Empire State Mutual Life, Maryland Casualty, and American Mutual Liability. Other companies are studying the report and have indicated that as soon as local agency representation is available with sufficient personnel they hope to enter the field.

\$9 Million VA Bond at Omaha

Five contracting firms, Peter Kiewit of Omaha; Olson Construction Co., Lincoln; Morrison & Knudson, Boise; Al Johnson, Minneapolis, and C. H. Tompkins, Washington, D. C., were low bidders at \$9,984,600 on a VA hospital project for Omaha. Aetna Casualty is expected to originate the bond if the work is awarded to the low bidders.

F. & D. Ups G. A. Conner

George A. Conner has been appointed assistant manager of the fidelity department of Fidelity & Deposit and John J.

Kavanagh superintendent of the bank bond division.

Mr. Conner has been with F. & D.'s fidelity department since he joined the company in 1928, and for several years he has represented F. & D. on the bankers blanket bond and fidelity bond committees of Surety Assn. of America.

Mr. Kavanagh has been with F. & D. since 1914, most of that time in an underwriting capacity in the fidelity department. He succeeds William F. Spies who voluntarily has retired after 44 years of service.

St. Louis Dance Jan. 20

ST. LOUIS—A large attendance is anticipated for the annual dinner dance of Insurance Board of St. Louis Jan. 20, at which the newly elected officers and executive committee members will be installed.

In addition to the officers nominated for election at the annual meeting the morning of Jan. 20 that were mentioned in last week's edition there are nominated for the executive committee: L. E. Bright, Frank J. Bush, Jr., and C. H. Bowersox.

Drop Loss Figure \$250,000

Loss from the fire last Dec. 9 at the plant of Reilly Tire & Chemical Corp. at Granite City, Ill., will run about \$200,000 instead of \$400,000 \$500,000 as at first indicated. Western Adjustment is handling the loss.

Ask Newark Taxi Cover Probe

NEWARK — Safety Director John B. Keenan of Newark has asked the city law department to examine insurance policies covering taxis and policies which cover operators who rent taxicabs to determine if sufficient protection is given passengers.

Legal Assistant Ward contends that state legislation provides for insurance on each taxicab passenger. It appears that under present policies only \$5,000 is provided to cover all passengers in each independent taxicab.

Ward urges that cab operators be ordered to provide insurance for each passenger, and that licenses be suspended where operators refuse to comply.

Marion Law, daughter of M. J. Law, agency director of Reserve of Chicago, was married 10 days ago at the Edgewater Beach hotel in Chicago to David

K. A. Lauter, manager of Atwell, Vogel & Sterling, is addressing a meeting of the Kansas City insured members conference Jan. 20 on "Look At Your Insurance Bill."

J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, is at San Francisco until Jan. 20 conferring with Reginald Moss, manager of the coast office.

Robert S. Barber, assistant secretary of West Bend Mutual Fire and active in the Wisconsin 1752 Club, has been elected secretary of the company to succeed the late August C. Fuge.

Edward F. Connelly of New Castle, Pa., will this year celebrate his 50th year as an insurance agent. He began business in 1898.

He retired from active business Dec. 1, 1947, because of poor health, transferring the agency to his son, Edmund B. Connelly, who has been a licensed agent for some years and has assisted his father in the operation of his insurance and real estate business.

D. M. Wandschneider and C. L. Ouwenel have merged their agencies at Fort Atkinson, Wis., as Wandschneider & Ouwenel.

Tom McGovern, Inc. is a new local agency at Madison, Wis. Tom McGovern is president and treasurer; E. T. McGovern, vice-president, and P. J. Armstrong, secretary.

Robert B. Freed, for several years with the H. A. Scribner agency and Hardware Mutuals at Stevens Point, Wis., has joined the E. R. Frederick agency, Beaver Dam, Wis., as manager of accident and health and some other casualty lines.

John N. Brushingham, Wisconsin state agent of Globe & Rutgers, has moved to 828 North Broadway, Milwaukee.

Iowa Agents to Insist on Previous Agency Contracts

DES MOINES—Iowa Assn. of Insurance Agents has advised its members to insist on previous agency contracts where companies have reduced commissions and contracts contain a mutual agreement clause.

In a bulletin to the members, President William C. Brunk of Ottumwa stated that the agents should not agree to the commission reduction and should insist that business written after Jan. 1, 1948, be on the same basis as previous contracts.

The executive committee and directors of the Iowa association will meet here Jan. 28 to set up plans for regional meetings this spring.

O'Connor to Give Fire Course at Cincinnati

CINCINNATI — J. C. O'Connor, Editor of "Fire, Casualty & Surety Bulletin" and associate editor of THE NATIONAL UNDERWRITER, will be instructor and discussion leader in the insurance course at University of Cincinnati this coming semester. The course is sponsored by Cincinnati Fire Underwriters Assn. and follows the N.A.I.A. outline.

Classes will be held on Tuesdays from 6:40 to 9:15 p.m. at the University of Cincinnati campus and will start Feb. 1.

Fred Horn, former Wichita agent, has been named chief of the sales division of the Kansas revenue and taxation commission. He is considered a tax authority.

The state agency of Dubuque F. & M. in Illinois under T. M. Hogan has moved in the Insurance Exchange building at Chicago to room A-1010.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago Jan. 13, 1948

	Div.	Bid	Aske
Aetna Casualty	3.00	82 1/2	84 1/2
Aetna Fire	1.80	47 1/2	49 1/2
Aetna Life	2.10	44	45 1/2
American Alliance	1.00	18	19
American Auto	.80	36	37
American Casualty	.60	11 1/2	12 1/2
American (N. J.)	.70	15 1/2	16 1/2
American Surety	2.50	53	55
Baltimore American	.30	6	6 1/2
Boston	2.20	65 1/2	67 1/2
Camden Fire	1.00	18 1/2	19 1/2
Continental Cas.	2.00	51	52 1/2
Fire Association	2.50	46 1/2	48 1/2
Firemen's (N. J.)	.50	12 1/2	13 1/2
Franklin Fire	1.00	18 1/2	19 1/2
Globe & Republic	.50	43 1/2	45 1/2
Great Amer. Fire	1.20	27 1/2	28 1/2
Hanover Fire	1.20	26	27
Hartford Fire	2.50	104	107
Home (N. Y.)	1.20	25 1/2	26 1/2
Ins. of N. A.	3.00	94 1/2	96 1/2
Maryland Casualty	1.60	30	31
Mass. Bonding	1.25	25	26
National Casualty	2.00	44	45
National Fire	2.00	44	45
National Lib.	.30	6 1/2	6 1/2
New Amsterdam Cas.	1.00	27	28 1/2
New Hampshire	1.00	43 1/2	45
North River	1.00	23 1/2	24 1/2
Ohio Casualty	.80	37	38 1/2
Phoenix, Conn.	2.00	82 1/2	84 1/2
Prov. Wash.	1.40	32	33 1/2
St. Paul F. & M.	2.00	67	69
Security, Conn.	1.40	24	25
Springfield F. & M.	1.90	42	44
Standard Accident	1.45	30 1/2	32 1/2
Travelers	18.00	525	535
U. S. F. & G.	2.00	47	48 1/2
U. S. Fire	2.00	50	52

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Automobile, Liability and Casualty Insurance

McCarran Dines with All-Industry Group

(CONTINUED FROM PAGE 1)

A mere gesture toward such regulation will not satisfy members of Congress such as Senator O'Mahoney, Wyoming, who figured prominently in the fight over regulation that ultimately resulted in enactment of public law 15. He holds that there must be adequate regulation of the insurance industry. If the states do it, well and good. If not, there must be regulation anyhow—by the only other authority—the federal government. O'Mahoney did not comment upon possible moratorium extension.

Curiously, Senator Wiley, Wisconsin, chairman of the Senate committee on judiciary succeeding McCarran, appears to have given the latter a free hand in the insurance field, although Wiley is a member of the Republican majority now in the saddle.

A spokesman for McCarran, when asked if the New York luncheon takes the place of the conference with insurance executives he planned, according to recent press reports, indicated there may have been a misunderstanding or erroneous impression with respect thereto. The spokesman said the senator had in mind the possibility of inviting insurance executives to a conference if his study of the situation with respect to state laws and regulation made him think it was called for. And it may still be deemed necessary, the spokesman added, if continued study of the situation calls for it. However, there are no present plans for such a conference, it was said.

Bar Association Speech

It was also indicated that there might have been an unfortunate impression created by McCarran's speech to American Bar Assn. which pointed to failure of certain states to pass regulatory legislation, to differences of opinion within the industry, and other problems. That speech, it was indicated, was based partly upon a progress report made by McCarran's administrative assistant, Hal Lackey, on a study or survey of state legislation and regulation authorized by the Senate judiciary committee a year or more ago.

While that report was said to be up to date when submitted last June, thereafter a number of state legislatures, winding up their sessions, passed insurance regulatory laws not reflected in the Lackey report. So that it is said the showing made by the states is and has been for a number of months considerably better than was indicated in that report.

Rating organizations plan to put out advisory rates for use by companies after expiration of the anti-trust law moratorium June 30, 1948, in states which have not yet enacted by that time rate regulatory legislation deemed necessary under public law 15.

Word to this effect comes out of the luncheon given McCarran. The companies will not agree to abide by these advisory rates, it is understood, thus avoiding possible conflict with the anti-trust laws.

The rating organizations concerned would say under this plan that the rates advised are based on past experience and believed to be proper in the states concerned.

While this would involve an agreement for concerted action, in a sense, industry representatives assert there is nothing in the Sherman anti-trust law against a mere agreement, as such, but that only agreements such as those to combine, or to control, to fix, raise or maintain prices, etc., are forbidden by the law.

It is recognized, however, that under a rating organization advisory rate plan, if a company applied the advised rate to one client and a lower rate to another client by reason of competitive conditions, the company might get in trouble under the Robinson-Patman law or federal trade commission act on the charge of discriminating unfairly between cli-

ents.

Consensus of the McCarran luncheon, as reported here, was that the companies could well afford to offer next June to take the business risk involved in states lacking complete regulatory setups, of being subject to the anti-trust laws without immediately bringing the Department of Justice hot on their trail. McCarran is reported to have expressed confidence that the department would "go along" with the program proposed, for a reasonable length of time, without jumping in too hastily with its anti-trust sleuths and prosecutors.

One Discordant Note

There was only one discordant note developed at the luncheon, according to information received here. That was when Judge E. W. Sawyer, representing brokers, is reported to have suggested a dual system of regulation of the insurance industry, including federal control superimposed upon that of the states. Nobody else present liked that idea, including McCarran, it is reported. The Sawyer suggestion appears to have been promptly squelched.

While certain segments of the industry have been reported willing to accept federal regulation in lieu of 48 different state systems of regulation, they are opposed to a double-barreled system.

At the luncheon it is understood that a representative of each each group made an informal report on progress made in enactment of state laws, regulation of activities and problems confronting the respective groups.

McCarran reportedly expressed himself as deeply gratified and surprised at so much having been accomplished in a relatively short time. He asked if extension of the moratorium is needed. All groups said "No."

McCarran is represented as very cooperative. At the meeting, he said he was acting in an unofficial capacity and without authority, but because of his interest in the industry and his service as former chairman of the judiciary committee, he wanted to get the views and reactions of the various industry segment groups.

McCarran discussed the status of affairs in various states without one or more of the new laws deemed necessary under P.L. 15. In this connection, Rhode Island, West Virginia, Missouri and other states were mentioned. He wanted to know what would be done in those states. The answer was the reported rating organization advisory rate program, which was indicated to be satisfactory to him.

Indications are that the District of Columbia will have a casualty rating law before the anti-trust law moratorium expires June 30. Indications further are that it will be the Simpson bill, HR 3998, with clarifying amendments. That bill passed the House last year, but was held up in the Senate committee on District of Columbia.

Morehouse Takes Long Look at Fidelity-Surety

(CONTINUED FROM PAGE 17)

volved a great deal of turning back and forth. However, the fidelity section of the manual is to be cross-indexed to make it simpler in the near future. Also, revisions are being made in the judicial and fiduciary sections and in the bankers blanket bond. It is hoped that these changes will be completed during 1948. He agreed that because experience credits are not listed in the fidelity section the underwriters have to rely on their own information and not on the bureau. This was made necessary by the new rating laws although it did make it difficult for the underwriters. It is necessary because the commissioners are worried about discrimination. The meeting concluded with a brief discussion on the difficulty in agreeing on personnel classifications under the manual.

Accident, Health, Casualty, Fidelity & Surety



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"SECURITY"

The state of being secure—

Freedom from care . . .
Freedom from doubt . . .
Freedom from danger or risk

Safety — Stability

DISHONESTY INSURANCE IS
ESSENTIAL TO SECURITY

New Amsterdam
Casualty Company

BALTIMORE

NEW YORK

SCORES COMMISSION CUT

(CONTINUED FROM PAGE 4)

and like a bolt of lightning came a cut in dwelling rates of 20%—so a 20% cut in the agents' commission earnings. Luckily or unluckily, increased values or inflation was here, so we made up the difference in our loss of the 20% commission earnings through a lot of extra work, but our total commission earnings remained about the same. Then while we were adjusting ourselves, we found that our employees' salaries were doubling, our office rent was doubling, our printing bills tripling and all of our other expenses were up 50% or better.

Unhealthy Condition

Then your correspondent mentions the experiences of Carleton I. Fisher, Providence, who says he is an "Optimist about costs." He says he has more than made up his increased operating costs, because of rate increases, increases in value and other gains (whatever they are). You might ask if I have made up my increased costs due to inflation values and my answer is "yes." However, like the position of the companies, my condition is an unhealthy one, for while I have worked harder than ever to bring my customers' insurance up to or somewhere near the inflationary values, my "take home" pay gives me very little for the extra effort and increased living costs and taxes take the extra; and it is an unhealthy condition. It is unhealthy, for the reason that while I have been unusually busy bringing my customers' insurance up to value, I have not been able to devote my time to adding new customers to my lists—the lifeblood of any agency. Yes, it is an unhealthy condition for both company and agent, for when the pendulum swings, as it surely must, we are both going to find ourselves loaded with expenses and reduced incomes.

Your correspondent says that the reduction of the windstorm and extended

coverage commissions does not seem to be a serious hurdle for the agent to take. If he is correct, then of what great benefit can it be to a company?

The agents certainly are not responsible for the comprehensive feature of an automobile policy, or the lowering of rates for fire and theft down to a point where we got a premium of \$6 for an actual value, comprehensive policy. That was purely a company mistake.

Who Is Responsible for Rate?

Who is responsible for an .016 rate for extended coverage? Certainly not the agent. Why, I know of one risk in my city where I can sell a half million dollar policy of fire and extended coverage for a premium of \$1,100 for a five year term. A waste paper basket fire and the companies would pay a five year premium just for decorating the office. If the companies have lost their underwriting profit, let us raise the rates so that they make a profit; for the public expect to see the insurance companies make a fair profit. Only this morning I had a customer in the office and I told him that the companies or some of them were cutting commissions and his first reaction was "if they can't make money, why don't they raise the rates and not take it out of your hide when all of your costs are going up." No good gambler would take a chance on an \$1,100 premium for a half million of insurance, fire and extended.

Both Have Their Problems

I could go on and on, but both the companies and the agents have their problems and I hope and trust that both of us can go on forever, so let us not blame too much on each other, for we both need the other.

Only one thing more. In the future where a company and an agent have a contract by mutual agreement, let us

both live up to that contract and not either one of us break it as if it were just a piece of paper.

As in the case of the prominent official I will request that you do not use my name.

Carleton Fisher "Sticks in Oar"

(CONTINUED FROM PAGE 4)

tory, and I believe in S.E.U.A. territory, have never received higher commissions on extended coverage than on fire insurance. Frankly I don't know why we should. But that is neither here nor there. I stand with my mid-western brothers on the sound principle that the parties must in all equity sit down and talk it over before one party takes an action affecting the other party in such an important matter.

Excepted Cities

The same is true of the so-called excepted cities. Recently the secretary of a large mid-western local board sent me a copy of a resolution adopted by that board and asked me what I thought of it. I replied that the agents in his city were not going to get much sympathy from the agents of Rhode Island when the companies suggested that they be entitled to less than they had been getting but still considerably more than we have been paid. I said that if they could prove that it cost them more to do business in their city than it costs us to do business in Providence they were entitled to more commission and more power to them but I did not think they could prove it.

But I further said that on the broad principle of objecting to arbitrary action and insisting on negotiation and agreement I agreed with them 100%. I know what I would do if in their position. I would simply continue to collect the premiums from the policyholders and continue to deduct the agreed upon rates of commission according to past practice when remitting to the companies under accounts current. Then it would be their move. They could either sue me for the difference, and have a fat chance of collecting, or cancel the agency. I realize that the all-industry rate regulatory bills were cleverly designed to stifle all competition between stock companies but I am sure that there will always be insurance companies independently minded so that competition on commissions will continue and companies will think twice before cutting off the hands that feed them.

Branch Office Costs

Then, of course, our company friend did not comment on the oft repeated situation whereby the companies howl in horror about the excessive rates of commission being paid to agents but turn around and spend considerably more to produce business through branch offices, concealing the excess costs in the dizzy bookkeeping of the industry. In excepted cities, and in Providence for that matter, production through organization of manpower is still necessary. It is a sad state of affairs when the agent is sharply limited as to the amount he can afford to spend in developing business for his companies but the company acting directly is subject to no such limitations.

I'm afraid the dear old companies haven't much of a case to build on just because I said my agency is making money.

Millmann Heads Agency

MILWAUKEE — William A. Millmann, for 36 years with the Roberts Co., Milwaukee general and local agency, has been elected president. He succeeds the late Allan J. Roberts, who with his brother, Chester, founded the agency 40 years ago. Mr. Millmann is a graduate of Marquette University and a past president of its alumni association.

WANT ADS

CASUALTY UNDERWRITER

Established company located in medium-size midwestern city has opening for a Casualty Underwriter. Applicant must be thoroughly qualified to handle retrospective and experience rating. Excellent opportunity for right man. In reply please give previous background, age and salary desired. Address O-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM MANAGER

Somewhere in the Central West there is an experienced young (40 or less) branch claim manager or home office examiner ready and capable of moving up, but stymied because the road ahead is temporarily blocked. We have the opportunity as claim manager for comparatively small casualty company, with an eye on the future and growing. Legal background and at least five years casualty experience. Address O-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ACCOUNTANT

Experienced young casualty accountant qualified to assume management of accounting and statistical department of mid-western mutual casualty company, writing \$2,000,000. If you have the experience, are under 45 and free to move, this is an exceptional opportunity. Give full details. Address O-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE UNDERWRITER

Wanted for Chicago office of a large and well established agency of national standing writing a sizable volume of casualty and general business with Lloyds. This is a rare opportunity for a man who has a broad underwriting background, plus — executive talent, ability and personality. Reply fully in confidence. Box No. O-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

A young man with several years experience and qualified to take charge of the Home Office underwriting of Burglary, General Liability and Plate Glass Department of an Indianapolis Company. A good opportunity for the right party. If interested, write giving full information. Address care P.O. Box 254, Indianapolis 4, Indiana.

WANTED

Pacific Coast casualty insurance company desires services of an experienced general casualty underwriter for its Los Angeles office. The position offers excellent starting salary, together with opportunity for future advancement. In reply please state qualifications and date available for work.

NATIONAL AUTOMOBILE & CASUALTY INSURANCE CO., 724 So. Spring St., Los Angeles 14, Calif.

AUTOMOBILE UNDERWRITER WANTED
Automobile underwriter with some general casualty experience preferred, but not essential, by well-established general agency in Chicago. Excellent opportunity for advancement. Our employees know of this ad. In reply, state qualifications and age. Address O-54, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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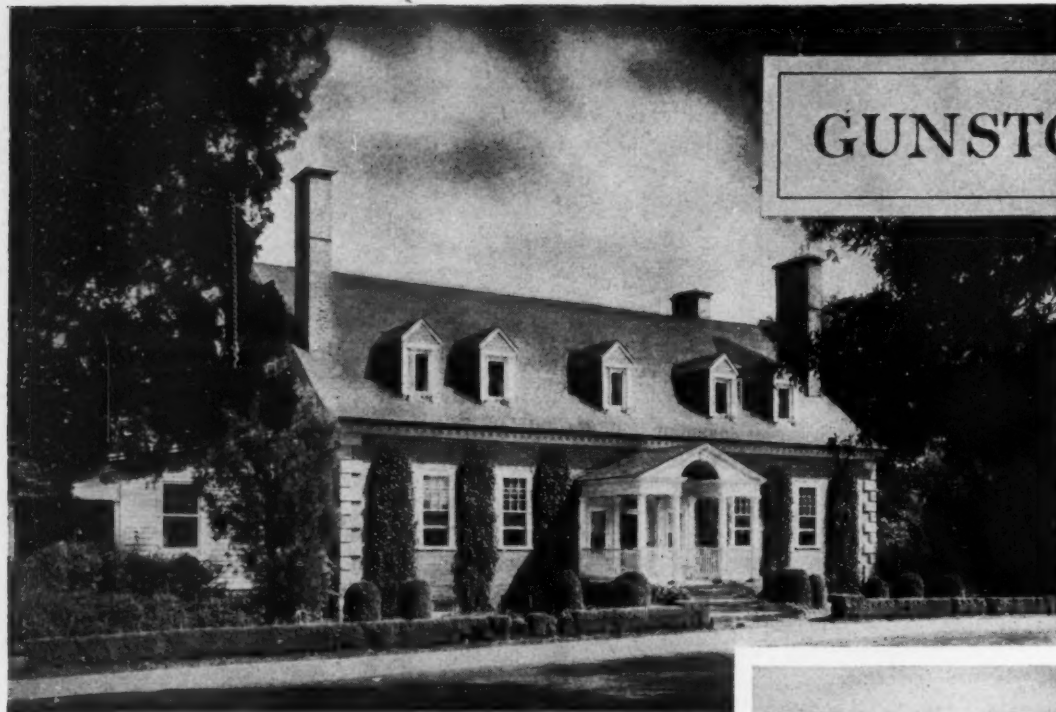
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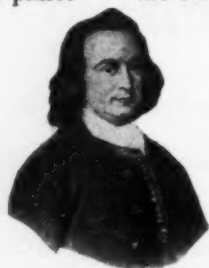
CONNECTICUT



GUNSTON HALL

*"The rights
of the people
to be secure"*

FRAMED over the fireplace in the library of Gunston Hall are these famous words expressing the dignity of man, "The rights of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated . . ." In this notable room the fourth George Mason, statesman, constitutionalist, and philosopher penned these phrases for the Virginia Bill of Rights, which later became the basis for the first ten amendments to the Constitution of the United States. Here also he is said to have helped his colleague, Thomas Jefferson, write the first draft of the Declaration of Independence.



George Mason

For his newly won bride, Ann Eilbeck, Mason employed a famed English architect to build this colonial mansion of unrivaled beauty overlooking the banks of the Potomac in Fair-

fax County, Virginia. Upon its completion in 1758, he set about to develop the estate of 7000 acres into an almost self-sufficient plantation with its own blacksmiths, carpenters, coopers, weavers and tanners.

Celebrated guests frequently visited Gunston Hall, including Lafayette and neighbor George Washington who "often rowed down from Mount Vernon in a 4-oared gig . . . to visit his friend or take Sunday supper with him."

Failing health forced Mason to spend his later years in retirement but he was a constant source of counsel on questions of law and government. At a time when it was considered treason even to speak ill of the King, he became a champion of democracy and one of the first to speak out against slavery.

In 1792 this man whom Jefferson called "the wisest man of his generation" was buried on the grounds of his Gunston

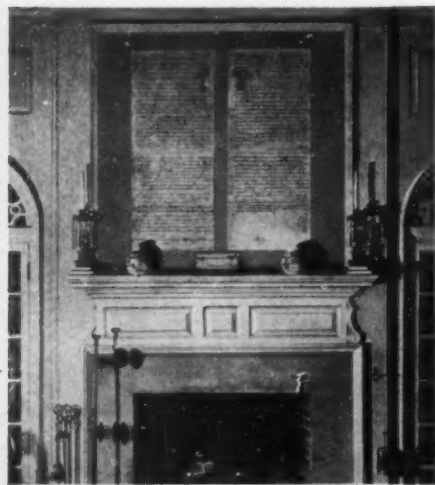


Formal garden and 192-year-old boxwood hedge

Hall. Mason had been a genial, cultivated, well-read gentleman whose descendants were to include early governors of Michigan and California.

The Gunston estate gradually deteriorated after ownership passed from the Mason family in the 1860's. Reduced to a lumber camp in 1912, it was rescued by its present owner who spent thirty years and a medium-sized fortune to restore it to its former splendor. Although now privately owned, it will eventually pass to the State of Virginia under the custody of the Colonial Dames of America.

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